

<b>SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS</b> <b>OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, &amp; 30</b>				1. REQUISITION NUMBER		PAGE OF 1 4	
2. CONTRACT NO.		3. AWARD/ EFFECTIVE DATE	4. ORDER NUMBER		5. SOLICITATION NUMBER DU208WR-17-R-0003		6. SOLICITATION ISSUE DATE 03/06/2017
7. <b>FOR SOLICITATION INFORMATION CALL:</b>		a. NAME CHRISTOPHER STUART			b. TELEPHONE NUMBER (No collect calls)		8. OFFER DUE DATE/LOCAL TIME 03/31/2017 1400 ET
9. ISSUED BY  US DEPARTMENT OF HUD OFFICE OF THE CHIEF PROCUREMENT OFFICER 1670 BROADWAY 23RD FLOOR DENVER CO 80202-4801				CODE HUD-NFWR  10. THIS ACQUISITION IS <input type="checkbox"/> UNRESTRICTED OR <input checked="" type="checkbox"/> SET ASIDE: 100.00 % FOR: WOMEN-OWNED SMALL BUSINESS <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> SMALL BUSINESS PROGRAM NAICS: <input type="checkbox"/> SERVICE-DISABLED <input checked="" type="checkbox"/> 8(A) VETERAN-OWNED SMALL BUSINESS SIZE STANDARD:			
11. DELIVERY FOR FOB DESTINA- TION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE		12. DISCOUNT TERMS		<input type="checkbox"/> 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		13b. RATING	
15. DELIVER TO		CODE		16. ADMINISTERED BY		CODE HUD-NFWR	
				US DEPARTMENT OF HUD OFFICE OF THE CHIEF PROCUREMENT OFFICER 1670 BROADWAY 23RD FLOOR DENVER CO 80202-4801			
17a. CONTRACTOR/ OFFEROR		CODE	FACILITY CODE	18a. PAYMENT WILL BE MADE BY		CODE	
TELEPHONE NO.							
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER				18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM			
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES			21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
0001	Secretary Held Mortgage Loan Servicing						
0002	Transition In-Phase one Period of Performance: 02/28/2017 to 02/27/2018						
0003	Transition In-Phase two Period of Performance: 02/28/2017 to 02/27/2018						
	Loan Servicing 9 months Period of Performance: 02/28/2017 to 02/27/2018 Continued ... <i>(Use Reverse and/or Attach Additional Sheets as Necessary)</i>						
25. ACCOUNTING AND APPROPRIATION DATA						26. TOTAL AWARD AMOUNT (For Govt. Use Only)	
<input checked="" type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA <input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA						<input checked="" type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED. <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED.	
<input type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN _____ COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED.				<input type="checkbox"/> 29. AWARD OF CONTRACT: _____ OFFER DATED _____. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:			
30a. SIGNATURE OF OFFEROR/CONTRACTOR				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)			
30b. NAME AND TITLE OF SIGNER (Type or print)		30c. DATE SIGNED		31b. NAME OF CONTRACTING OFFICER (Type or print)		31c. DATE SIGNED	
				KEVIN D. CROOK		03/06/2017	

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
0004	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. Period of Performance: 02/28/2017 to 02/27/2018				
0005	Reimbursable Items NTE Period of Performance: 02/28/2017 to 02/27/2018				
0006	Travel NTE Period of Performance: 02/28/2017 to 02/27/2018				
0007	Loan Servicing Option Period 1 12 months (Option Line Item) Period of Performance: 02/28/2018 to 02/27/2019				
0008	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. Option Period 1 (Option Line Item) Period of Performance: 02/28/2018 to 02/27/2019				
0009	Reimbursable NTE Option Period 1 Continued ...				

32a. QUANTITY IN COLUMN 21 HAS BEEN

☐ RECEIVED    ☐ INSPECTED    ☐ ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: \_\_\_\_\_

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	
32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE			32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE	
			32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE	
33. SHIP NUMBER	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT	37. CHECK NUMBER
<input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL			<input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	
38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY		
41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY ( <i>Print</i> )		
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER		42b. RECEIVED AT ( <i>Location</i> )		
		42c. DATE REC'D (YY/MM/DD)		42d. TOTAL CONTAINERS

## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	(Option Line Item) Period of Performance: 02/28/2018 to 02/27/2019				
0010	Travel NTE Option Period 1 (Option Line Item) Period of Performance: 02/28/2018 to 02/27/2019				
0011	Loan Servicing Option Period 2 (Option Line Item) Period of Performance: 02/28/2019 to 02/27/2020				
0012	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. Option Period 2 (Option Line Item) Period of Performance: 02/28/2019 to 02/27/2020				
0013	Reimbursable NTE Option Period 2 (Option Line Item) Period of Performance: 02/28/2019 to 02/27/2020				
0014	Travel NTE Option Period 2 (Option Line Item) Period of Performance: 02/28/2019 to 02/27/2020				
0015	Loan Servicing Option Period 3 (Option Line Item) Period of Performance: 02/28/2020 to 02/27/2021				
0016	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. Option Period 3 (Option Line Item) Period of Performance: 02/28/2020 to 02/27/2021				
0017	Reimbursable NTE Option Period 3 (Option Line Item) Period of Performance: 02/28/2020 to 02/27/2021				
0018	Travel NTE Option Period 3 (Option Line Item) Continued ...				

# CONTINUATION SHEET

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NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Period of Performance: 02/28/2020 to 02/27/2021				
0019	Loan Servicing Option Period 4 (Option Line Item) Period of Performance: 02/28/2021 to 02/27/2022				
0020	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. Option Period 4 (Option Line Item) Period of Performance: 02/28/2021 to 02/27/2022				
0021	Reimbursable NTE Option Period 4 (Option Line Item) Period of Performance: 02/28/2021 to 02/27/2022				
0022	Travel NTE Option Period 4 (Option Line Item) Period of Performance: 02/28/2021 to 02/27/2022				

## Schedule B Description/Specifications

### B.1. PRICE SCHEDULE

As total compensation for all services performed in accordance with the terms, conditions, and specifications stated herein, the Contractor will be paid upon completion and acceptance of the fixed unit prices listed for each line item.

### B.2 TRANSITION COSTS

CLINs 0001 and 0002 - The contractor will be paid a firm fixed price for all requirements of paragraph 1.13 for Transition costs. The Contractor shall invoice CLIN 0001 for the first half of the installment of the Transition Price when the requirements of the first phase of the Transition Period have been completed. The Contractor is entitled to bill the second installment of the Transition Price when the requirements of phase two have been completed. Regardless of how long the transition actually takes the contractor shall not be entitled to any servicing fees until the GTR certifies that transition is complete.

CLINs 0004, 0008, 0012, 0016, and 0020 – Phase out transition costs shall include one-time expenses to transition the contract to the new contractor. These include the additional temporary labor, supplies, and other approved one-time costs. CLINs 0004, 0008, 0012, and 0016, and 0020 are not anticipated to be used unless the government does not unilaterally exercise the following option period. The cost for transition phase out will be negotiated during the option period the transition will occur in.

B.3 CLINs 0003, 0007, 0011, 0015, and 0019 - The Contractor shall be paid a fixed Monthly Service Price after the first full month of servicing capacity following transition for all requirements not elsewhere specified. The Contractor shall be entitled to compensation under the CLIN after completion of Transition as evidenced by written acceptance by the Government Technical Representative (GTR) and the Contracting Officer (CO). In the month following acceptance of the service by the GTR, the Contractor may begin to invoice the Monthly Service Price in accordance with the requirements of SECTION G - Contract Administration Data HUDAR 2452.232-70 PAYMENT SCHEDULE AND INVOICE SUBMISSION (FIXED-PRICE). (DEC 2012) Alternate II.

The service price for the first month shall be prorated to include any days from the date of HUD's written acceptance through the end of that month.

The monthly service price shall be compensation for all requirements not elsewhere specified including all labor and other costs related to servicing all loans in the portfolio, updating the service to accommodate policy, legislative or regulatory changes; adapting to changes in HUD system or system configurations; and adding or deleting external interfaces as required to service all loans in the portfolio and relating to any of the tasks in this PWS.

B.4. CLINs 0005, 0009, 0013, 0017, and 0021- The following are cost reimbursable items: The actual cost of shipping files for record retention, or at the termination of the contract, when incurred in accordance with contract requirements, will be reimbursed as a pass-through expense with prior GTR approval. With authorization from the Contracting Officer, boxes used for archiving files at the Federal Records Center can be purchased from approved suppliers at the government price. All payments made by the Contractor on the Department's behalf, or for the borrower, shall be pass-through costs, and will be fully funded by the Department upon approval by the GTR. Other disbursements, considered chargeable to the Department, that are not made on behalf of the borrower must be pre-approved by the GTR prior to incurring the expense. Invoices and vouchers for these disbursements shall be submitted in accordance with paragraph 5.3.8.

One Time Reimbursables – One Time Reimbursables are those expenses that occur only once and are necessary at the beginning of the contract. They include the following: Initial contractor employee training but not recurring training after the transition period is over; Contractor employee travel to initial training but not travel after the transition period is over; Office set-up expenses such as space build out, IT installation, etc. but not recurring monthly lease or phone bills; Moving of all the fireproof file cabinets from former contractor's office site to the new contractor's office site; it does not include: Computer equipment, phones, or furniture — these are to be amortized; Lump sum insurance, employee bonuses, or other similar expenses.

Additionally, any work that the Contractor performs that the GTR deems work not completed by the previous contractor will be paid by the reimbursable CLIN.

BASE CONTRACT PERIOD					
CLIN	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL AMOUNT
0001	Transition In-Phase I	1	Job		
0002	Transition In-Phase II	1	Job		
0003	Loan Servicing	9	Month		
0004	Transition Out <i>NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.</i>	1	JOB		RESERVED
0005	Reimbursable Items	NTE			Provided by Government
0006	TRAVEL Not to Exceed	NTE			Provided by Government
TOTAL PRICE FOR BASE PERIOD					\$

OPTION PERIOD 1					
CLIN	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL AMOUNT
0007	Loan Servicing	12	Month		
0008	Transition Out <i>NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.</i>	1	JOB	RESERVED	
0009	Reimbursable Items				Provided by Government
0010	TRAVEL Not to Exceed				Provided by Government
TOTAL PRICE FOR BASE PERIOD					\$

OPTION PERIOD 2					
CLIN	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL AMOUNT
0011	Loan Servicing	12	Month		
0012	Transition Out <i>NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.</i>	1	JOB	RESERVED	
0013	Reimbursable Items	NTE			Provided by Government
0014	TRAVEL Not to Exceed	NTE			Provided by Government
TOTAL PRICE FOR BASE PERIOD					\$

OPTION PERIOD 3					
CLIN	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL AMOUNT
0015	Loan Servicing	12	Month		
0016	Transition Out <i>NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.</i>	1	JOB	RESERVED	
0017	Reimbursable Items	NTE			Provided by Government
0018	TRAVEL Not to Exceed	NTE			Provided by Government
TOTAL PRICE FOR BASE PERIOD					\$

OPTION PERIOD 4					
CLIN	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL AMOUNT
0019	Loan Servicing	12	Month		
0020	Transition Out <i>NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.</i>	1	JOB	RESERVED	
0021	Reimbursable Items	NTE			Provided by Government
0022	TRAVEL Not to Exceed	NTE			Provided by Government
TOTAL PRICE FOR BASE PERIOD					\$



**Performance Work Statement (PWS)**  
**Secretary Held Loan Servicing**

12/20/2016

Version 1.0

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# Performance Work Statement (PWS)

## Secretary Held Loan Servicing

### 1 General Information

#### 1.1 Introduction

The National Servicing Center (NSC), a Headquarters' division of the Office of Single Family Housing Asset Management (OSFAM) in the U.S Department of Housing and Urban Development (HUD), is seeking to obtain professional loan servicing support services to perform a wide range of FHA insured and Secretary-held first, second and subordinate note and mortgage loan servicing functions. The servicing functions support the following loan programs: Partial Claim mortgages, 235 Recapture and Nehemiah mortgages, Title II Assignment Program mortgages, Asset Control Area (ACA) Compliance and Enforcement mortgages, Purchase Money mortgages, Good Neighbor Next Door (GNND) mortgages, Hope for Homeowners (H4H), Emergency Home Loan Program (EHLPP) and other mortgage programs as implemented.

Under this Contract, customer service is a high priority and critical to the successful performance of mortgage loan servicing functions. As such, the NSC is also seeking to obtain professional customer service support that not only provides mortgage servicing support for the Secretary-held first, second and subordinate notes and mortgages portfolios, but also customer service support that supports a wide variety of incoming inquiries from HUD's FHA Insured borrowers, FHA lenders/servicers, home ownership counseling organizations, the general public and other HUD divisions. The Customer Service Support operation primarily responds and resolves contacts related to FHA-Insured Loan Servicing, Loss Mitigation, and other miscellaneous loan servicing issues.

#### 1.2 Background

The Federal Housing Administration (FHA) is an agency within U.S. Department of Housing and Urban Development (HUD) that provides homeownership opportunities for first time homebuyers as well as borrowers who, because of limited income or impaired credit history, are under-served by conventional mortgage markets. FHA insures approved lenders against the risk of loss on loans they finance for the purchase, and in some instances rehabilitation, of single-family homes. Although primarily a mortgage insurer, HUD has on occasion to become the holder of primary and subordinate mortgages as a result of its loss mitigation program and specialized loan programs. These loans and notes are currently serviced for HUD by a private sector Contractor. A specialized business service provider called Single Family Mortgage Asset Recovery Technology (SMART) is utilized by the Contractor for all loans programs serviced under this contract. Additionally, HUD's BSP (SMART) interfaces with a number of HUD information management systems described throughout this statement of work.

There are approximately 9,000 calls per month received by the centralized customer service call support operations.

There are approximately 430,000+ partial claims currently being serviced with approximately 3,000 new partial claims added monthly.

### **1.3 Constraints**

The services identified in this PWS will adhere to the rules, regulations, laws, standards, and conventions identified by HUD as well as within the Federal Government.

### **1.4 Description of Services**

The objectives sought from this contract are:

- Professional, effective, and comprehensive loan servicing for a variety of mortgage loans, notes and security instruments while maintaining a high standard of customer service.
- Maximum recoveries from the loan portfolio at the earliest possibility.
- Demonstrated effective risk management that identifies opportunities for reducing the primary or secondary portfolio.
- Expanded Customer Service Support

### **1.5 Non-Personal Services**

The Government will neither supervise Contractor employees nor control the method by which the Contractor performs the required tasks. Under no circumstances shall the Government assign tasks to, or prepare work schedules for, individual Contractor employees. It shall be the responsibility of the Contractor to manage its employees and to guard against any actions that are of the nature of personal services, or give the perception of personal services.

If the Contractor believes that any actions constitute, or are perceived to constitute personal services, it shall be the Contractor's responsibility to notify the Contracting Officer (CO) immediately. These services shall not be used to perform work of a policy, decision making, or management nature, i.e. inherently Government functions. All decisions relative to programs supported by the Contractor shall be the sole responsibility of the Government.

### **1.6 Period of Performance**

The period of performance shall be for one base period of 12 months and four 12-month option periods.

### **1.7 Place of Performance**

The services to be performed under this contract shall be performed within 50 miles of the Oklahoma City HUD Field Office.

### **1.8 Hours of Operation**

The Contractor is responsible for providing services between the hours of 7am to 7pm, local time in the geographical area Monday thru Friday except for Federal holidays or when the Government facility is closed due to local or national emergencies, administrative closing, or similar Government directed facility closings. The Government reserves the right to change hours of operation or restrict contractor access. Government agencies will not be available during scheduled holidays, inclement weather, weekends, and after duty hours.

The Contractor shall at all times maintain an adequate workforce for the uninterrupted performance of all tasks defined within the contract when the Government facility is not closed for the above reasons. When hiring personnel, the Contractor shall keep in mind that the stability and continuity of the workforce is essential.

## 1.9 Special Qualifications

**Key Personnel:** The personnel specified below are considered to be essential to the work being performed under this contract and are considered key personnel as referenced in paragraph 4.5 of the contract. Prior to diverting any of the specified individuals to other projects, the contractor shall notify the Contracting Officer reasonably in advance and shall submit a resume (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the contractor without the written consent of the Contracting Officer.

Key personnel shall meet the following minimum qualifications:

**Contract Manager Qualifications:** based on past work history and the following minimum Requirements are required: Minimum of two (2) years Mortgage Servicing experience, Relevant Project Management, Staffing, Developing Budgets, Coordination, Strategic Planning, and Quality Management. Experience must have been acquired within the last three (3) years.

**Alternate Contract Manager Qualifications:** based on past work history and the following minimum requirements are required: Minimum of two (2) years Mortgage Servicing experience Relevant Project Management, Staffing, Developing Budgets, Coordination, Strategic Planning, and Quality Management. Experience must have been acquired within the last three (3) years.

**Cash Manager Qualifications:** Minimum of three (3) years Mortgage Servicing Related Accounting experience, Certified Public Accountant (CPA) license and experience with U.S. Treasury Cash Management Regulations including Credit Reform. Experience must have been acquired within the last four (4) years.

**Quality Control Manager Qualifications:** Minimum of three (3) years Mortgage Servicing Related Quality Control experience executing a mortgage review test plan including the level of servicing quality and solutions to meet the Clients service level objectives, internal and external audit processes, remediation to ensure accuracy, and quality and mitigate potential losses. Experience must have been acquired within the last four (4) years.

**IT Manager Qualifications:** based on past work history and the following minimum certifications and requirements: Technical Management, Technical Understanding, Analyzing Information, Problem Solving, Data Center Management, Coordination, Strategic Planning and Quality Management. Follow PMI standards to manage projects through the project lifecycles of initiation, planning, execution and closure.

### **Other personnel with special qualifications not required as key personnel:**

**Financial Systems Analyst Qualifications:** based on past work history and the following minimum qualifications and requirements are required: experience providing support for financial/accounting systems; applying and advising on financial system policies and procedures; performing extensive business process analysis through evaluation of financial systems, policies, procedures, and regulations. Preparing and reviewing change request, and test plans. Ensuring supporting documentation and training for end user on new software is appropriate.

**Systems Analyst Qualifications:** based on past work history and the following minimum qualifications and requirements are required: Conducting detailed analyses of complex functions and work processes; Conducting studies, analyzing findings and making recommendations on program operations; Conducting a variety of special projects which require reviewing agency policies, objectives, management principals and processes and applies analytical and evaluative methods and techniques to assess program development or execution; monitoring management information systems; Monitoring and compiling data from management information systems; Interpreting, implementing and providing technical guidance on special projects, policies, and regulations related to HUD programs; Communicating and presenting analyses in writing or orally to HUD Management.

## 1.10 Post Award/Kickoff Conference

The Contractor shall attend any post award conference convened by the contracting officer or contract administration office in accordance with FAR Subpart 42.5. The Government intends to convene a Post Award Conference with the Contractor within ten business days after contract award in Oklahoma City.

The Contracting Officer will notify the Contractor of the specific date, location, and agenda within five business days after contract award.

### **1.11 Status Meetings**

The Contracting Officer, Government Technical Representative (GTR) and other Government personnel, as appropriate may meet periodically with the Contractor to also review Contractor performance, requirement status, etc. At these meetings, the Contracting Officer will apprise the Contractor of how the Government views the Contractor's performance or progress of the requirement. The Contractor will apprise the Government of problems, if any, being experienced. Appropriate action shall be taken to resolve outstanding issues. These meetings shall be at no additional cost to the Government. Post Award Conference and subsequent meetings may be held via teleconference.

### **1.12 Contractor Travel**

Prior to travel, the Contractor shall coordinate with and receive Government authorization from the GTR for all travel. Reimbursement of travel costs will be in accordance with the Federal Travel Regulation and in accordance with FAR 31.205-46. The Contractor shall travel using the lower cost mode transportation commensurate with the mission requirements. When necessary to use air travel, the Contractor shall use the tourist class, economy class or similar lodging accommodations to the extent they are available and commensurate with the mission requirements. HUD will not reimburse Contractor's local travel. Local travel is defined as travel within fifty (50) miles of Contractors facility. All other travel will be reimbursed on a cost reimbursable basis; no profit or fee will be paid.

### **1.13 Reimbursable Items**

HUD will reimburse the Contractor for only the following pass through expenses upon presentation of an approved invoice and adequate supporting documentation. Any dispute as to whether an expense is to be reimbursed will be forwarded to the Contracting Officer for resolution.

- Actual recording fees associated with filing documents on a case-by-case basis when specifically directed by the GTR.
- Actual cost of title search, abstracting fees, and recording fees associated with Deed-in Lieu (DIL) and Modifications for Interest Rate Reductions.
- Actual cost of title search or title records report, as requested by the GTR.
- Actual cost of lien searches as required for validation on HOPE mortgages.
- Actual costs of appraisals that are requested by the GTR.
- Actual cost of registration for Mortgage Electronic Registration System (MERS).
- With authorization from the Contracting Officer, boxes used for archiving files at the Federal Records Center can be purchased from approved suppliers at the government price.

Reimbursement of other disbursements, must be pre-approved by the GTR prior to incurring the expense. One Time Reimbursable are those expenses that occur only once and are necessary at the beginning of the contract or paid as Transition costs. They include the following:

Initial contractor employee training but not recurring training after the transition period is over; Contractor employee travel to initial training but not travel after the transition period is over; Office set-up expenses such as space build out, IT installation, etc. but not recurring monthly lease or phone bills; Moving of all the fireproof file cabinets from the former contractor's office site to the new contractor's office site; it does not include: Computer equipment, phones, or furniture; lump sum insurance, employee bonuses, or other similar expenses.

## 1.14 Transition In

The Contractor shall, upon the Contracting Officer's written notice, furnish Transition-In services as required. As a successor, the Contractor shall have sufficient personnel on board during the 120-day Transition-In period to ensure a smooth transition with the incumbent Contractor.

The Contractor's staff shall demonstrate an in depth knowledge of comprehensive mortgage loan servicing activities, and interpretation of HUD regulations governing the various loan programs identified in this PWS. They must also have a wide range of knowledge in compliance monitoring, accounting principles, bankruptcy activities and document management. The Contractor shall provide an orderly transition of work acceptance and accomplishment such that any impact to the program is minimized. During this period, the Contractor shall complete preparation activities, including but not limited to attending meetings with HUD staff. The Contractor shall attend specialized training provided by HUD and the former Contractor. Transition-In is not required if the successor Contractor is the incumbent Contractor.

The Transition Period will run from the effective date of the contract and will not exceed the timeframes established herein or as set forth by the Contracting Officer. During the Transition Period the Contractor shall continue to adapt its physical infrastructure; subcontract support; develop or obtain necessary hardware, software, Internet applications and information technology. The Contractor shall also attend HUD provided training; provide training to its workforce to enable them to provide required services under this PWS; obtain all required licenses, permits, bonds and legal permissions required to transact business within the contract area; develop and implement quality assurance programs, gradually assume contract responsibilities and assume full contract responsibility as described in this paragraph. The Transition Period shall have two (2) phases. The activities for each phase are described below.

**PHASE ONE** begins on the effective date of the contract and continues for sixty (60) calendar days. During this period, the Contractor shall complete preparation activities, including but not limited to attending meetings with HUD staff. The Contractor may attend specialized training provided by HUD and the former Contractor. The Contractor shall complete the establishment of its physical infrastructure, ensure that a complete qualified and trained workforce of employees or subcontractors are in place, obtain all licenses, permits, bonds and qualifications, required to transact business in the geographic locations within the contract area and implement the information technology and support necessary to perform the requirements contained in this PWS. The Contractor shall submit written certification certifying the completion of Phase One.

**Office Location-** The Contractor shall establish a fully equipped office within 50 miles of Oklahoma City, Oklahoma no later than thirty (30) calendar days from the award date of the contract. The Contractor shall notify the CO and GTR upon completion. All services shall be performed at the primary contractor's facilities. An exception, the Cash Manager may be required to performing some services in Washington DC where the HUD Headquarters General Ledger Division is located. This requirement may entail at a minimum monthly and quarterly visits. Travel will be reimbursable if visits are required by HUD in accordance with the Federal Travel Regulation and in accordance with FAR 31.205-46.

**Systems Security Administrator-** Not later than five (5) business days from the award date of the contract, the Contractor shall provide the GTR the designated Systems Security Administrator (SSA) who at a minimum has qualifications with experience in federal security documentation and certification. HUD's system clearance procedures require that the Systems Security Administrator (SSA) shall use forms provided by HUD to initiate requests for user access to SMART, other HUD systems and to request access modifications and deletions. The SSA shall certify, not later than 20 business days from the effective date of the contract and ongoing seven (7) days from new hire, that all staff has received instruction in system security issues, are familiar with the contents of the current version of HUD



Handbook 2400.24 Rev. 2, Information Security Program, and have completed the HUD's Computer Based Training program or Rules of Behaviors.

**Limited Powers of Attorney (LPOA)**-Not later than ten (10) business days after the effective date of the contract and annually thereafter, if applicable, the Contractor shall prepare LPOA as necessary to perform the contract. The Contractor shall prepare and record revocations of any recorded, unexpired LPOA's not later than the date the Contractor is no longer responsible for performing contract services covered by the LPOA. All costs associated with filing the LPOA and ancillary documents shall be at the expense of the Contractor and not reimbursable. The Contractor's responsibilities concerning the LPOA shall include determining which units of local government within the Contractor's service area require an original LPOA (or revocation); completing and submitting the appropriate number of LPOA (or revocation) documents to the GTR for execution; recording the duly executed documents with each required unit of local government; forwarding documentation to the GTR which confirms the LPOA (or revocation) has been filed for recordation. Examples of acceptable documentation include a copy of the Limited Power of Attorney (or revocation) marked "filed for recordation" and/or receipt from the Recorder's Office evidencing the filing of the document. The LPOA(s) shall name specific individuals authorized to perform stated tasks. Authorities authorized under an LPOA may not be re-delegated to others not named. The Department is considering replacing LPOA's with the delegation of authority to the Contractor via a Federal Register notice. If this change is implemented, the Contractor will not be required to prepare LPOAs and the contract will be modified accordingly.

**Certificate of Independence**- The contractor shall certify to the GTR or GTM that each employee does not have a Secretary Held Mortgage, using the form Certificate of Independence.

**Line of Credit**- The contractor shall maintain a one million dollar (\$1,000,000) line of credit and proof shall be provided NLT ten (10) days after issuance of the notice of the pre-award notice that it is the apparently successful offeror.

**Deposit Account Only**-The Contractor shall submit one (1) for deposit only account information to the GTR, not later than fourteen (14) business days from the effective date of the contract. The Contractor shall establish one (1) account with a Federally Insured Depository to deposit and process all funds received to pay.gov or via wire transfer procedure to HUD's Chief Financial Officer (CFO). The Contractor shall notify the GTR of the account number and wire instructions. The account shall be non-interest bearing checking account. The account shall be in the name of the HUD, but designated in the care of the contractor. No checks shall be issued or drawn from this account. The Contractor shall make all documentation available for review at the request of the GTM/GTR or CO.

**Quality Control Plan (QCP)**-The Contractor shall provide the CO and GTR with a specific written QCP for all tasks specified in this contract not later thirty (30) calendar days after the post award conference. The QCP shall be designed and implemented to result in quality and timely contract performance to prevent, detect, and correct any deficiencies in contract performance with little or no need for government intervention. The QCP shall be revised as circumstances dictate, to reflect necessary changes during the progress of the contract. The QCP shall, at a minimum, include a detailed inspection oversight program covering all general and specific tasks; specify tasks or areas to be inspected on either a scheduled or unscheduled basis including the manner in which inspection is to be conducted; a description of the techniques to be employed for producing and validating services and deliverables that conform to the acceptable quality standards in the contract; a description of the "checks and balances" that shall be used to ensure an acceptable level of quality; provisions for responding to technical directions and comments; and provisions that will be used to prevent and eliminate the potential for fraud, waste and abuse of HUD funds or other funds and resources received in the performance of this contract. The QCP shall address Quality Management Approach, Quality Assurance, Quality Control and Quality Standards.

**Management Work Plan (MWP)**-The Contractor shall provide CO and GTR with a specific written Draft MWP for all tasks specified in this contract not later than thirty (30) calendar days from the effective date of the contract. This MWP will be an updated version of the management plan submitted with the contractor. The MWP shall include a detailed allocation of contract resources and time scheduled for the accomplishment of the tasks and deliverables to be provided. The MWP shall be revised as circumstances dictate, to reflect approved changes during the progress of the contract. The MWP shall include a detailed work flow chart reflecting the process and steps that all portfolios would follow which clearly reflect the Contractor's strategy for: 1) timely completion of case assignments; 2) how work deadlines will be met including how adjustments in staffing and workload will be made when there are fluctuating levels of case assignments; and 3) how the portfolios of assets will be serviced (including names of staff in key assignments).

**Continuity of Operations (COOP)**-The Contractor shall provide to the CO and GTR a specific written COOP for all services specified in this Contract not later than thirty (30) calendar days from the effective date of the contract. The COOP shall be designed and implemented to result in all services required under this contract being continued without interruption in the case of an emergency or crisis requiring relocation of the Contractor's office and other resources. The COOP, at a minimum, shall include a detailed listing of contract services, alternative resources, processes and steps to immediately relocate the office, other resources, and any other pertinent information needing consideration.

**Training**-The Contractor's staff will receive servicing and system training by HUD or its designee beginning no less than sixty (60) days after contract award. The Contractor shall notify the GTR of all attendees not later than two (2) business days prior to the commencement of the training. All PIV documents must be submitted to HUD and Equip process completed prior to the commencement of training. After training begins, additional trainees may be added only with the GTR's prior approval. HUD reserves the right to adjust the number of trainees who may attend. After initial training, training of additional employees is the responsibility of the Contractor. In the event of any significant change in program terms or directives, HUD will provide subsequent training as needed. System training may occur separately from program training.

**Customer Relations/Servicing Guide**-The GTR will provide a Customer Relations/Servicing Guide to the Contractor within thirty (30) business days of the effective date of the contract. Included in the guide will be information and guidance to assist the customer service center in providing customer service to callers. Also in the guide are two directories listing contact information for Housing Counseling Agencies and Mortgage Servicers. The Contractor shall update the directories with current contact information on a quarterly basis and forward the updated directories not later than five (5) business days of completion to the GTR.

**Loan Servicing Guide**-The Contractor shall submit for the GTR's approval a Loan Servicer's Guide for use by the Contractor's staff in servicing the Sec-Held portfolios not later than sixty (60) calendar days from the effective date of the contract. The Contractor may develop a new Guide or modify the existing Guide. The Contractor shall develop, modify and recommend servicing policy and foreclosure procedures to improve overall loan servicing operations. The Guide and any items routinely incorporated into the Guide shall be approved by the GTR. The GTR shall have thirty (30) business days to issue approval.

**PHASE TWO** begins sixty-one (61) calendar days from the effective date of the contract and continues for another sixty (60) calendar days. Phase Two of the transition is intended to expire on the same date as the expiration date of the existing Loan Servicing Contract. However, unforeseen circumstances may require that the Contracting Officer extend the expiration date of the existing Loan Servicing Contract, at which time the Contractor shall be notified of such extension.

**Loan Inventory**-Not later than sixty (60) calendar days from the award date of the contract, the former Contractor will begin transfer of all servicing files including inventory lists, via HUD to the Contractor. The Contractor shall reconcile each physical file to the inventory list. Following physical file transfer, the

Contractor shall review the current SMART system for scanned loan documents and review the physical files for the legal documents. Any discrepancies shall be annotated on the inventory list by the Contractor and be provided to the GTR. The Contractor shall complete the inventory of the files not later than ninety-five (95) calendar days from the effective date of the contract.

**Welcome Letters**-Not later than one-hundred (100) calendar days from the effective date of the contract the Contractor shall send a Welcome Letter to all mortgagors providing a toll-free number, and the name of the new loan servicer handling the loan. The letter may contain additional information about the loan and collection policies of the Contractor and HUD. This Welcome Letter shall comply with RESPA's Notice of Transfer requirements and shall constitute a combination notice, which satisfies both the Contractor and HUD's notice of transfer obligations under RESPA. The Contractor shall provide e-mail notification to the GTR upon completion of this task.

**Fully Operational**-The Contractor shall notify the GTR, in writing, that the Contractor has adequate facilities, staff, subcontract support, equipment and supplies to perform all of the tasks required under the PWS and shall provide a final list of key staff, office location, addresses, phone numbers and emergency contact information to the GTR not later than one hundred-twenty (120) calendar days from the effective date of the contract.

The Contractor shall be provided the HUD owned toll-free 800#s activated under the expiring National Loan Servicing Contract as published by HUD no later than (100) calendar days from the contract award date.

Not later than one hundred-five (105) calendar days from the contract award date, the Contractor shall begin performing all contract servicing requirements.

The Contractor shall be at full servicing capacity of the HUD portfolio one hundred-twenty (120) calendar days from the effective date of the contract, unless otherwise notified by the Contracting Officer. The GTR will perform an onsite inspection that will be delivered to the Contracting Officer.

## 1.15 Transition Out

To minimize any decrease in productivity and to prevent possible negative impacts on additional services, the Contractor shall have sufficient personnel on board during the ninety (90) day Transition-Out period. The incumbent Contractor shall ensure a smooth transition with the successor Contractor during the Transition-Out period, prior to completion of contractual performance. The incumbent Contractor shall aid the successor in the development of plans, procedures, and methods for the assumption of all on going work. The incumbent Contractor shall provide the successor Contractor a minimum of six (6) hours a day for onsite, side by side training during the scheduled training period. The Contractor shall provide an orderly transition of work acceptance and accomplishment, such that full control by the successor Contractor is achieved by the end of the new contract Transition-In period.

## 2 Definitions and Acronyms

### 2.1 Definitions

**221 AUTOMATIC ASSIGNMENT**- An FHA insured mortgage which can be assigned to HUD under Section 221(g)(4) of the National Housing Act, one year or less following the twentieth anniversary of the date the mortgage was originally endorsed for insurance by the Department. These mortgages shall be current when assigned to HUD.

**235 ASSISTED MORTGAGE** - Any mortgage loan (insured by HUD under Section 235 of the National Housing Act) for which HUD previously made assistance payments to a mortgagee on behalf of the homeowner or cooperative member to pay a portion of the homeowners or

cooperative members monthly payment in accordance with the provisions of 24 CFR Section 235.301.

**235 RECAPTURE MORTGAGE** - A second mortgage recorded in favor of HUD for recapture of all or part of Section 235 assistance paid on behalf of a borrower.

**312 LOANS** - Community Planning Development (CPD) Rehabilitation Loans (Currently no new originations)

**ABANDONED CALLS** - calls which enter the queue but are never answered by the contractor.

**ACCELERATED NOTE** - A mortgage note that must be paid in full in order to avoid foreclosure.

**ASSET SALE** Secretary Held mortgages sold in bulk to investors.

**ASSIGNED TITLE II MORTGAGES** - The terms Assigned Title II Mortgages, Secretary-Held, and Assignments shall be synonymous and may be used interchangeably in this contract.

**ASSIGNMENTS** - Loans assigned by Lenders to the Secretary of HUD for servicing.

**AQL** - The level of acceptable performance required by the Government.

**BUSINESS DAY/WORK DAY** - Any day other than a Saturday, a Sunday, a federal holiday or other day on which the federal government or banking institutions by law or executive order are closed.

**BUSINESS HOURS** - 7AM to 7PM Central Time, Monday thru Friday, excluding holidays.

**CALENDAR DAY**- Any day of the week.

**CALLS** - all calls that are received by the Contractor.

**COMPROMISE OFFER/SHORT SALE** - The offer by a third party to purchase a property secured by a Secretary-held mortgage for the market value that value being less than the total amount owed on the mortgage. The acceptance by HUD shall be a binding adjustment for an amount that lies somewhere between the total debt and the maximum amount that the Department can reasonably expect to receive for the secured property in the current housing market.

**CONTINUITY OF OPERATIONS PLAN (COOP)** - A formalized plan for the continuation of business operations in the event of a disaster.

**CONTRACT** - A written mutually binding legal relationship obligating the seller to furnish the supplies or services and the buyer to pay for them.

**CONTRACTING OFFICER (CO)** - A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.

**CONTRACTOR** - The individual, partnership, corporation, or other entity, which, in addition to HUD, is the party subject to the terms and conditions of this contract.

**CONTRACTOR-ACQUIRED PROPERTY** - Items acquired or otherwise provided by the Contractor for performing a contract, to which the Government takes ownership. All Government-owned items shall be clearly labeled "Property of Department of Housing and Urban Development.

**CONTROLLED CORRESPONDENCE** - Any correspondence that is logged into a tracking system requiring a response within certain timeframes. The correspondence is usually a FOIA or Congressional inquiry.

**CUSTODIAL CARE** - The managing of abandoned properties, secured by a HUD-held mortgage, which have been assigned to an M&M Contractor to secure, maintain yard and winterize, until title of the property can be vested in HUD.

**DAY** - A calendar day, unless otherwise specified.

**DEFECTIVE SERVICE** - A service output that does not meet the standard of performance associated with the Performance Work Statement.

**DELIVERABLE** - Anything that can be physically delivered, but may include non-manufactured things such as meeting minutes or reports.

**DIRECT PAYMENT** - Regular monthly payments and line of credit payments that are paid directly to the mortgagor or the mortgagors banking account.

**DUE and PAYABLE** - A mortgage that must be paid in order to avoid foreclosure.

**Electronic Courses on Loss Mitigation and Servicing (ECLASS)** - a business service provider that provides FHA lenders, housing counseling agencies, HUD and other non-profit organizations with web-based "Servicing and Loss Mitigation" training and notifications to various related conferences.

**E.I.T.** - Electronic and information technology (EIT) has the same meaning as "information technology" except EIT also includes any equipment or interconnected system or subsystem of equipment that is used in the creation, conversion, or duplication of data or information. The term EIT, includes, but is not limited to, telecommunication products (such as telephones), information kiosks and transaction machines, worldwide websites, multimedia, and office equipment (such as copiers and fax machines).

**ELECTRONIC FUNDS TRANSFER (EFT)** - Checking or savings accounts set up with a financial institution by the borrower to receive payments from the servicing lender electronically. The Contractor shall make this option available to those borrowers who wish to use this method of payment.

**ESCROW ACCOUNTS** - Non-interest bearing bank accounts established for the payment of property taxes and/or insurance.

**EVARS** - HUDs automated extensions and variances tracking business service provider.

**FHA CONNECTION** - HUDs interactive Internet system providing approved Federal Housing Administration (FHA) lenders

**FERRELL MORTGAGE** - PMMs created as a result of a court decision that requires HUD to sell acquired properties to certain mortgagors, and finance the purchase of these properties. In many instances, HUD holds second mortgages associated with this financing.

**FINANCIAL DATA INFORMATION** - Financial data information obtained when a caller calls about are delinquent mortgage, e.g. all fixed monthly expenses and income in a format acceptable to HUD according to HUD Handbook. Information is not disclosable to the caller.

**FORBEARANCE AGREEMENT** - Any agreement, whether formal or informal, whether or not written, pursuant to which HUD has agreed to forbear from enforcing certain provisions of a mortgage or mortgage note.

**FORCE MAJEURE** - Specific events that are beyond the control and without the fault or negligence of the Contractor. Examples of these events are (1) acts of God or of the public enemy, (2) acts of the Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather.

**FORECLOSURE AGENT** - A contract attorney, a Department of Justice contract attorney, a Department of Justice attorney, or a Foreclosure Commissioner designated under the Single Family Mortgage Foreclosure Act who carries out the foreclosure actions.

**INDUSTRY STANDARDS** - Generally accepted business practices within the Industries of Real Estate, Lending, and Management of Assets.

**INITIAL 36-MONTH PERIOD** - For Assigned Title II Mortgage Loans, other than PMM loans and 221 Mortgage loans, the period commencing on the date of assignment acceptance and ending at the conclusion of the 36th consecutive month thereafter.

**INTEREST RATE REDUCTION PROGRAM (IRRP)** - A tool for the modification of a Secretary-held mortgage that results in a lowered interest rate.

**KEY PERSONNEL** - Personnel specifically considered being essential to the work being performed under this contract, pursuant to HUDAR 2452.237-70, Key Personnel.

**PARTIAL CLAIM (PC) SUBORDINATE MORTGAGE** - A second mortgage lien to HUD resulting from FHA advancing money to the lender on the borrowers' behalf to cure a default on the first FHA mortgage.

**PASS THROUGH COST** - A cost the Contractor schedules or processes for payment, but which is paid directly by HUD or Department of the Treasury.

**PERFORMANCE EVALUATION** - The GTR/GTMs record of the Contractors performance, under the contract, will be used for consideration of exercising an option and future source selection purposes by other Federal departments and agencies.

**PERFORMANCE REQUIREMENTS** - The service level that separates acceptable performance from unacceptable performance of a task according to the Inspection of Services clause.

**PERFORMANCE REQUIREMENTS SUMMARY** - A listing of the performance requirements under the contract that are to be evaluated by the Government on a regular basis; performance standards for these requirements, and surveillance methods to be used to determine if performance standards are met (and optionally, any maximum payment for meeting the AQL level, and any deduction from payment for not meeting the AQL).

**PERFORMANCE STANDARD** - The Contractors performance level required by the Government. This is also known as AQL.

**POST AUDIT** - Verification and reconciliation of data between the SMART and SFIS after a claim payment.

**PROGRAM OFFICE** - For the purposes of this contract, is the National Servicing Center, in Oklahoma City, Oklahoma, under the Assistant Secretary for Housing/FHA Commissioner.

**PURCHASE MONEY MORTGAGE (PMM)** - A mortgage originated and held by HUD.

**ASSET DISPOSITION AND MANAGEMENT SYSTEM (P260)** - a business service provider used by HUD to track and manage REO properties.

**QUALITY ASSURANCE** - A planned and systematic pattern of all government actions to provide confidence that adequate technical requirements are established and services conform to established technical requirements to assure that satisfactory performance is achieved.

**QUALITY CONTROL** - Those actions taken by a Contractor to monitor performance to ensure conformance to the contract requirements.

**REIMBURSABLE COST** - A bill, expense or cost the Contractor pays directly and subsequently invoices and obtains payment from HUD for reimbursement of the amount paid, with no additional fees added.

**SECRETARY-HELD/SECRETARY OWNED** - Any mortgage or property wherein the Department of HUD has an interest. The asset is held in the name of the Secretary of Housing and Urban Development.

**SKELETAL ACCOUNT** - A Secretary-held Mortgage for which the Single Family Application for Insurance Benefits has not been paid.

**SMART** - is the business service provider that provides automated business processes that support comprehensive loan servicing on all programs identified in this PWS under the jurisdiction of the National Servicing Center.

**TITLE I** - Section of the National Housing Act governing manufactured housing and home improvement loans.

**TITLE II** - Section of the National Housing Act governing HUD's Single Family Mortgage Insurance Program.

**WAIT TIME** - Wait time is defined as the period of time between the Callers option to speak with a Customer Service Representative and the time the call was physically answered by a representative.

## 2.2 Acronyms

ACA - Program Asset Control Area Program  
ACD - Program Accelerated Claims Disposition Program  
AQL - Acceptable Quality Level  
CAIVRS - Credit Alert Interactive Voice Response System  
CFR - Code of Federal Regulations  
CO - Contracting Officer  
COI - Certificate of Indebtedness  
COOP - Continuity of Operations Plan  
CCLR- Claims Collection Litigation Report  
CPD - Community Planning and Development  
CSR - Customer Service Representative  
CWCOT - Claim without Conveyance of Title  
DIL - Deed in Lieu of Foreclosure  
DOJ - Department of Justice  
ECLASS - Electronic Courses on Loss Mitigation and Servicing  
EHLP - Emergency Homeowners Loan Program  
EPM - Exit Premium Mortgage  
EVARS - Extension and Variance Automated Response System  
FAR - Federal Acquisition Regulation  
FHA - Federal Housing Administration  
FOIA - Freedom of Information Act  
GNND - Good Neighbor Next Door (fka OND/TND)  
GNT - Good Neighbor Team  
GTM - Government Technical Monitor  
GTR - Government Technical Representative  
H4H - Hope for Homeowners Program  
HCA -Housing Counseling Agency  
HOC - Home Ownership Center- There are 4 HOCs: Denver, CO; Santa Ana, CA; Atlanta, GA; and Philadelphia, PA.

HUD - U. S. Department of Housing and Urban Development. The terms "Department of Housing and Urban Development, "HUD, and "Government shall be synonymous and may be used interchangeably in this contract.

HUDAR - HUD Acquisition Regulation

HQ - HUD Headquarters, Washington, DC

IRS - Internal Revenue Service

MIC - Mortgage Insurance Certificate

ML - Mortgagee Letter

MOU - Memorandums of Understanding and Interconnectivity Security Agreements

NJF - Non-Judicial Foreclosure

NSC - HUD National Servicing Center, Oklahoma City and Tulsa, OK

NEHEMIAH - Nehemiah Housing Opportunity Grants Program

OND - Officer(s) Next-Door Program

PC - Partial Claim Subordinate Mortgage

PBC - Performance Based Contract

PMM- Purchase Money Mortgage

P260 - Asset Disposition and Management System

REAC - Real Estate Assessment Center

REO - HUD Real Estate Owned Division

RESPA - Real Estate Settlement Procedures Act

SAM - Shared Appreciation Mortgage

SAMS - HUD Single Family Acquired Asset Management System (A80S)

SEM - Shared Equity Mortgage

SF - Single Family

SFIS - HUD Single Family Insurance System (A43)

SFDMS - Single Family Default Monitoring System

SFMNS - Single Family Mortgage Note System (F60)

SMART - Single Family Mortgage Asset Recovery Technology

SOP - Standard Operating Procedure

TND - Teacher(s) Next Door Program

TBD - To Be Determined

VRS - Voice Response System

### **3 Government-Furnished Property and Services**

The following are descriptions of HUD systems and databases used daily to support tracking and servicing of HUD's first, second and subordinate mortgages.

**Single Family Insurance System (SFISnet or A43C)** - The Single Family Insurance System (SFIS) is a HUD system of record used to maintain the insurance-in-force (IIF) database, which contains accurate and detailed case information on FHA-insured single family properties. The Contractor shall access SFIS to verify loan information as deemed necessary to determine insurance status and claims information.

**FHA Connection** -The FHA Connection is an interactive system available through the Internet that gives approved FHA lenders real-time access to FHA systems for the purpose of conducting official FHA business in an electronic fashion such as reporting the status of insured loans. Additionally, the FHA Connection allows HUD to post information of interest to Mortgagees. FHAC can also be used to determine insurance and claims information.



**Extensions and Variance Processing (EVARS)** - a business service provider that provides FHA lenders an interactive automate process available through the Internet that gives approved FHA lenders real-time opportunity for automated request, review, approval and/or denial of extensions and variances related to various loan programs.

**Electronic Courses on Loss Mitigation and Servicing (ECLASS)** - a business service provider that provides FHA lenders, housing counseling agencies, HUD and other non-profit organizations with web-based "Servicing and Loss Mitigation" training and notifications to various related conferences.

**Single Family Mortgage Asset Recovery Technology (SMART)** - the current business service provider used to service and track servicing activities on most loan portfolios named within this PWS. SMART is currently the business service provider that provides automated business processes that support comprehensive loan servicing on all other programs that are under the jurisdiction of the National Servicing Center. SMART has the capability to perform comprehensive loan servicing requirements necessary to meet HUD guidelines for servicing the various HUD loan programs.

**Asset Disposition And Management System (P260)** - a business service provider used by HUD to track and manage REO properties.

**Neighborhood Watch** - Neighborhood Watch is intended to aid HUD/FHA staff in monitoring lenders and our programs, and to aid lenders and the public in self-policing the industry. The system is designed to highlight exceptions, so that potential problems are readily identifiable. In addition, the system can be used to identify loan programs, geographic areas and lenders that are performing well.

**HUD-owned toll-free telephone number (1-877-622-8525).**

**Access to HUD Information Systems-** Contractor employees (including subcontractors) who will need to have access to HUD information systems and/or business service providers (e.g. SAMS or SMART) must undergo a background investigation. See Clause HUDAR 2452.239-70 Access to HUD Systems (Deviation).

**Security Access** - Due to the sensitivity of loan, property and vendor profile data, access to HUD systems and/or business service providers shall be limited to individuals based upon their specific duties and the security of the system. As a condition of obtaining access, Contractor employees requiring access to HUD systems shall follow the procedures as set forth in HUDAR 2452.239-70. HUD may grant, deny, or revoke an individual's access rights to a HUD system based upon the results of the security background check of the individual. The Contractor shall provide written notification to the GTR not later than one (1) business day of termination or resignation of any employee granted HUD systems access or when there is no longer a need for access to HUD systems by any Contractor employee. The Contractor shall maintain an up-to-date list that identifies contract employees with access to each of the information systems described in this section and the justification for each employee's level of access.

The GTR will request access to the computerized systems and/or business service providers and any databases used to track and service Secretary-owned mortgages, not later than five (5) calendar days from receipt of approved security clearance.

**References** - All HUD Handbooks, Forms, Housing Notices, Mortgagee Letters, and Federal guidelines are available through the library resource section of the HUD website at:  
<http://www.hud.gov/offices/adm/handbks/forms/handbooks.cfm>

**Standard Operating Procedures** - HUD will provide standard operating procedures (SOPs) for all loan programs serviced under this contract which shall be followed by the Contractor in conjunction with Handbooks and all other directives.

**Lockbox Addresses** – The GTR will provide the Contractor with a list of applicable lockbox addresses

for payment processing under various loan programs not later than thirty (30) calendar days from the effective date of the contract.

**VPN Connectivity** - HUD Headquarters Information Technology Division (IT) will order and coordinate connectivity via VPN Tunnel to the Contractor's office upon identification of the Contractor's facility address. Installation of the VPN Tunnel is estimated to take 60 calendar days or more.

**Fire Proof Cabinets** - The legal documents for Puerto Rico cases cannot be duplicated or Replaced. Therefore, the Contractor shall safeguard all documents by electronic imaging and storage. The original legal documents for Puerto Rico cases shall be stored in fireproof cabinets for the life of the contract. HUD owns eighteen (18) fireproof (FP) file cabinets. HUD-owned FP cabinets are needed for the storage of the Puerto Rico legal documents; therefore, the Contractor shall arrange for the transportation and associated transportation costs for these cabinets. The transportation costs shall be considered part of the start-up costs or transition costs.

### 3.1 Materials

The Government will provide all available servicing files to the Contractor. Copies of required materials may be provided to the Contractor in hard copy or soft copy. All materials will remain the property of the Government and will be returned to the GTR upon request or at the end of the contract period.

### 3.2. Facilities

No facilities will be provided by the Government.

### 3.3 Quality Assurance (QA)

The Government shall evaluate the Contractor's performance under this contract in accordance with the Quality Assurance Surveillance Plan. This plan is primarily focused on what the Government must do to ensure that the Contractor has performed in accordance with the performance standards. It defines how the performance standards will be applied, the frequency of surveillance, and the minimum acceptable quality level.

**HUD Performance Evaluation** - HUD staff will evaluate the Contractor's performance under this contract by conducting reviews on a random sample of accounts. In addition to continuous monitoring through the use of reports and computerized database systems, HUD may also evaluate cases in response to feedback from mortgagors and other parties of interest. These reviews may be on-site file reviews, electronic file review via the Internet, or the Contractor may be required to send, at the Contractor's cost, the files selected for review to HUD for physical review. The Loan Servicing Scorecard can be found at attachment 1.

**Performance Report and Debriefing** - HUD will debrief the Contractor after each review. When quality assurance reviews indicate defective performance, the GTR or GTM will provide the Contractor a written detailed description of the observations and will request the Contract Manager to respond to the observation, in writing, not later than thirty (30) business days from receipt. If the Contractor agrees with the observation and the GTR determines corrective action is required, the Contractor shall comply with the requirements of the specific task. If the observation is disputed, the contract manager shall attempt to resolve the issue with the GTR. If a disagreement remains, it will be elevated to the Contracting Officer (CO) for a decision. HUD reserves the right to take corrective actions available under the contract terms and conditions for continually defective performance.

**Meetings** - The Contract Manager or alternate may be required to attend face-to-face open issue meetings on a monthly basis, or more frequently if required by the GTR. A quarterly performance meeting shall be held with the GTR, GTM, Contracting Officer and HUD Management personnel. This meeting

may be held more frequently if required by the contracting officer. The Contractor shall provide the GTR and CO with email minutes of all meetings held, not later than five (5) business days after a meeting.

### 3.4 Equipment

The Contractor shall provide hardware equipment that is adequately maintained and fully operational to support all business service providers identified within this PWS. This includes all interface connectivity, application software, interface control document (ICD) testing and documentation to support the requirements of the PWS; NSC accessibility; and access to any SF Asset Management Office including, but not limited to, the HOC offices and HUD headquarters offices. All systems shall be compatible with the HUD platform environment. The Contractor shall ensure all systems are compatible with future environments that HUD may upgrade or into which HUD may migrate. All business servicing providers, websites, and databases developed, enhanced, modified, maintained and supported for use during the life of this contract shall be in conformity with the accepted standard practices of HUD's IT infrastructure and system development platforms.

(<http://www.hud.gov/offices/cio/sdm/devlife/def/newstand.cfm>)

**Internal Controls and Compliance** - The contractor shall establish, document, and maintain internal controls appropriate to the services performed under the contract, including separation of duties, audit logs, quality assurance procedures for data integrity, protection of personally identifiable information, authentication of personal identity in transactions with the public, system security, continuity of operations and system change control. The contractor shall answer inquiries, provide documentation, and give access to facilities in support of HUD's audits and internal control and compliance reviews, including the annual audit of FHA's financial statements, annual reviews of internal controls under OMB Circular A-123 and annual reviews of financial system compliance under OMB Circular A-127.

**Federal standards and requirements** - Applicable Federal standards and requirements to the contractor are identified in Table 1.0. The contractor is responsible for maintaining compliance with these standards as they are updated by Congress and the issuing Federal agencies. Corresponding and related standards and requirements for HUD are identified in Table 2.0.

**Personally Identifiable Information** - The contractor shall establish, document, and maintain technical and procedural protections against the release of personally identifiable information. The contractor shall complete a Privacy Impact Assessment annually.

**Authentication of Personal Identity** - The contractor shall establish, document, and maintain technical and procedural methods to authenticate personal identify in all transactions with the public in accordance with Federal e-Authentication regulations. The contractor shall complete an e-Authentication Risk Assessment report annually on their System Security. The contractor shall establish, document, and maintain technical and procedural protections for system security in accordance with NIST 800.53 REV3 or current version. The contractor shall complete a System Security Plan, an Independent System Test and Evaluation (ST&E), a Security Controls and Assessment Report (SCAR), a Contingency Plan, and Contingency Plan Test Reports. The contractor shall maintain and execute a Plan of Action and Milestones to correct deficiencies identified in the ST&E and SCAR.

The Contractor shall maintain the security and integrity of business service provider's data and/or systems data, all maintenance, training and technical support to all various users, and must comply with all HUD security requirements including employees taking the required HUD Security Awareness Training. The contractor shall ensure that all functions of the contract are carried out regardless of the capabilities of HUD's systems.

**Data Transfer** - The Contractor shall transfer the data from all business service providers and/or systems according to HUD's approved IT policies and procedures on data transfer protocol. Any such data transfer shall be coordinated with HUD to ensure adequate safeguards are taken to protect HUD's system integrity.

#### 4. Contractor Furnished Items and Services

The Contractor shall furnish, all facilities, equipment, and supplies required to perform the work under this contract.

**Personnel:** Contract Manager, Alternate Contract Manager, and Cash Manager- the Contract Manager shall have full authority to act for the Contractor on all matters relating to daily operations, and for the performance of the contract. The designated Alternate Contract Manager shall act in the absence of the Contract Manager, with the same authority and responsibilities as the Contract Manager. The Contract Manager or Alternate Contract Manager or HUD approved designee shall be on-site during normal duty hours. The names of the Contract Manager, Alternate Contract Manager, Cash Manager Loan Servicing Manager, Quality Control Manager and IT Manager shall be included in the personnel named in HUDAR 2452.23770 Key Personnel Clause, located at paragraph 4.5 of the contract. Any changes in Key Personnel must be approved by the Contracting Officer and GTR prior to assuming the position.

**Customer Service** - In as much as the Contractor's performance reflects directly on the Department, customer service is a high priority under this contract. The contractor shall work to perform the highest level of customer service to HUD's clients. The Contractor shall ensure that all contacts with the public and HUD employees promote HUD's objectives under this PWS, encourage participation by industry professionals and mortgagors that will result in a high level of customer satisfaction. Customers, for the purpose of this PWS include: mortgagors, nonprofit organizations, government entities, real estate brokers and agents, title companies, attorneys, Mortgagees, Estate representatives, Borrowers family members, and HUD employees. Customer service includes, but is not limited to, answering questions; resolving complaints; providing loan information and status; referring customers to appropriate service agencies; assisting all callers in a prompt, professional and courteous manner and ensuring that Mortgagors are satisfied with their experience.

**Telecommunications Hook-Ups, Etc.** - The Contractor shall maintain the HUD-owned toll free telephone number available for use by HUD employees and customers. The Contractor shall provide telecommunications hook-ups, including equipment to communicate with hearing impaired clients, and a sufficient number of toll-free lines to meet the performance requirements for an estimated 5,000 - 15,000 calls per month with the capacity to handle up to 25,000 calls per month. The Contractor shall provide direct telephone numbers for each of their servicing staff members. The telephone system for the toll-free lines shall include an option for Spanish language communication and TDD for the hearing impaired. The Contractor shall have the capability of growth to support ongoing HUD programs and initiatives that may need separate toll-free numbers. The equipment shall have the ability to transfer calls through an Interactive Voice Response (IVR) prompt which will require connectivity from the Contractor's office to the NSC or other NSC Contractor facilities; the Contractor's equipment shall provide the ability for the NSC to monitor live incoming calls into the Contractor's telecommunications system, monitor toll-free calls to capture workload and performance statistics, generate reports to document, at a minimum, the following information:

- The number of calls received on a monthly, quarterly, semi-annual and annual basis;
- The number of employees logged into the system at any given time;
- The time spent on each call; and
- The number of calls that are not answered before they enter the queue or after they enter the queue (abandoned calls).

The Contractor shall ensure that the telecommunication system maintain an operational capability 100% of the time, except during periods of approved documented scheduled maintenance. (Scheduled maintenance shall be approved by the GTR no later than 48 hours prior to downtime.) The Contractor's telecommunications equipment shall be operational and maintain continuous telecommunication operation (defined as that equipment necessary to receive and route calls, capture required statistical data, offer callers the opportunity to listen to prerecorded messages and to accept voice mail).

**Response Time** -The Contractor shall provide prompt, courteous and accurate response to all inquiries regarding requests for loan information in general. The Contractor shall respond to telephone inquiries not later than 12 noon or one (1) business day of the date the call was placed to the Contractor's office or the expiration of such shorter or longer period as expressly authorized or required by this PWS. The Contractor shall respond to written and electronic inquiries no later than two (2) business days following receipt of the inquiry or the expiration of such shorter or longer period of time expressly authorized or required by this PWS. This applies to all areas of service areas in the contract and is not just related to Customer Service.

**Freedom of Information Act** -The Contractor shall be familiar with the Freedom of Information Act (FOIA) (Title 5 V.S.C. Section 552) and the Privacy Act (5 V.S.C. 552a) and shall assist HUD in responding to requests for information. The Contractor shall forward all requests for information that are subject to FOIA or the Privacy Act to the FOIA Officer as determined by the GTR. In the case of a FOIA request that involves costs to the requestor, the Contractor shall provide a cost breakdown to the GTR.

**Litigation** -The Contractor shall not represent that it is authorized to accept service of process on behalf of HUD. However, if the Contractor receives any pleading naming HUD as a party, the Contractor shall provide the GTR and the Office of General Counsel in the jurisdiction specified and any other designated HUD representative with a copy of such pleading not later than one (1) business day after receipt of the pleading. GTR will provide contact information.

**Document Pick-Up and Delivery** - The Contractor shall pick up and deliver documents daily, except for holidays, to and from the Oklahoma City HUD office. In the event the Contractor is unable to pick up documents, documents will be sent daily to and from the Oklahoma City HUD office via same courier or overnight delivery at the Contractor's expense.

**Equipment and Supplies** - All tools, supplies, and items of equipment necessary to the performance of the contract and the deliverables herein are the responsibility of the Contractor. The Contractor shall ensure that all systems shall be compatible with HUD's operating environment. HUD's environment operates by Microsoft Windows 2016 currently and Internet Explorer 11 (IE 11) and any subsequent changes. The Contractor shall ensure the hardware and software being used is compatible with HUD's computer systems.

**Electronic Communication with HUD** - The Contractor shall procure access through a commercial on-line application to electronically communicate with HUD users and to access HUD's Internet web site and Wide Area Network (WAN). The Department currently uses MS Outlook for internal and external e-mail.

#### **4.1 Facilities**

The contractor shall furnish all facilities necessary to meet the requirements under this PWS.

#### **4.2 Equipment**

The contractor shall furnish all equipment necessary to meet the requirements under this PWS.

#### **4.3 Material**

The contractor shall furnish all materials necessary to meet the requirements under this PWS.

#### **4.4 Contractor Responsibilities**

The Contractor shall only conduct business with designated Government personnel listed as points of contact (POCs). Names of authorized personnel shall be provided to the Contractor by the Government, in writing, and updated as necessary throughout the contract period. U.S. Government records, copies of original results and reports, verified original data, corrected data and corrected supporting final reports which are maintained by the Contractor remain the property of the U.S. Government. These files/results must be surrendered to the GTR. The Contractor shall establish and maintain a physical loan file that

contains all documents, legal instruments and correspondences that pertain to each loan in the portfolio. The Contractor shall adhere to all current HUD regulations and directives on file retention and storage requirements as described in Handbook 2225.6 Rev. 1 Chg. 44 or subsequent policy directive. The actual cost of shipping files for record retention, or at the termination of the contract, when incurred in accordance with contract requirements, will be reimbursed as a pass-through expense with prior GTR approval.

**Delivery of Files Upon Request** - The Contractor shall, not later than five (5) business days from receipt of a written request of 100 files or more from the GTR, deliver to HUD complete, accurate, legible, and accessible copies of the requested electronic or physical files. Requests of files less than 100, the Contractor shall deliver no later than forty-eight (48) hours from request.

**Date Stamps** -The Contractor shall date stamp all incoming correspondence with the date the document was received in the Contractor's office. Date stamp shall bear the name of Contractor, "Received" and received date.

**Non-Disclosure of Sensitive Information** - Neither the Contractor nor any of its employees or affiliates shall disclose nor did cause to be disseminate any information relating to the services hereunder to any person not entitled to receive it. Failure to safeguard any sensitive information that may come to the Contractor or any person under his/her control in connection with work under this PWS, may subject the Contractor or its agents or employees to criminal liability or termination for default. The Contractor shall establish procedural and technical controls in their quality control plan to protect confidential and sensitive information. The Contractor shall establish controls to protect data from accidental or malicious alteration or destruction prior to submission to HUD's Federal Records Center. These controls must be documented in the QCP.

**File Storage** -The file storage facility provided by the Contractor shall meet all Federal requirements for storage of Federal records and financial assets. The files shall be located in a facility that allows these files to be available to the Contractor or staff not later than twenty-four (24) hours from request. The Contractor shall safeguard all documents including but not limited to legal documents, correspondences, accounting related documents, etc. by electronic imaging and storage. The Contractor shall establish controls to protect data from accidental or malicious alteration or destruction prior to submission to HUD's Federal Records Center. These controls must be documented in the QCP. The Contractor shall maintain check stock and signature software in a secure location for which login and logout procedures are established and followed. Check stock shall be securely maintained and accounted for daily by maintaining an audit control log.

**Certificate of Independence:** The contractor shall certify to the GTR or GTM that each employee does not have a Secretary Held Mortgage, using the form Certificate of Independence.

#### **4.5 Contractor Personnel**

The Contractor shall provide a Contract/Project Manager who shall be responsible for the performance of work. An alternate shall also be designated to act in the absence of the Contract/Project Manager. These Contractor personnel (main point of contact and alternate point of contact) are considered Key Personnel by the Government and shall be listed as such in accordance with HUDAR 2452.237-70, "Key Personnel. The Contract/Project Manager and alternate shall have full authority to act on all contract matters relating to daily operations of this contract. Accordingly, at a minimum, the points of contact shall have the technical knowledge of the requirement and be in the position to actually receive assignment, guidance, and direction from the GTR, GTM and CO per HUDAR 2452.237-73, "Conduct of Work and Technical Guidance" and shall be allocated enough hours to the requirement to ensure successful performance. These points of points of contact shall each be an employee of the Contractor. An employee of a subcontractor is not acceptable for either of these positions. The Contract/Project Manager or alternate shall be available between the hours of 8:00am to 4:30pm Monday through Friday EST, except Federal Holidays or when the Government facility is closed for administrative reasons.

#### **4.6 Identification of Contractor Employees**

All Contractor/subcontractor personnel shall wear company picture identification badges as to distinguish themselves from Government employees. When conversing with Government personnel during business meetings, over the telephone, or via electronic mail, Contractor/subcontractor personnel shall identify themselves as such to avoid situations arising where sensitive topics might be better discussed solely between Government employees. Contractors/subcontractors shall identify themselves on any attendance sheet or any coordination documents they may review. Electronic mail signature blocks shall identify their company affiliation. Where practicable, Contractor/subcontractors occupying collocated space with their Government program customer shall identify their work space area with their name and company affiliation, or at a minimum, "Contractor" after name.

#### **4.7 Quality Control**

The Contractor shall establish and maintain a complete quality control program that shall ensure services are performed in accordance with this contract. The Contractor shall develop and implement procedures to identify, prevent, and ensure non reoccurrence of defective services. The Contractor's quality control program is the means by which he assures himself that his work complies with the requirements of the contract. The Contractor shall provide the associated Quality Control Plan to the Government as directed.

### **5 Scope of Work**

The following task requirements support the regulatory and program directives to ensure that the stated contract objectives are met. The tasks that follow define the contract requirements and activities to support loan servicing of the HUD secretary held mortgage portfolio and customer service support. Also, included are loan servicing task requirements and activities for HUD's secretary held mortgage portfolio that need program specific instructions. While there are servicing requirements not listed in the section below, failure to list a requirement in the PWS does not negate the Contractor's obligation to perform all tasks required to thoroughly service HUD's secretary held mortgage portfolio in accordance with all published guidance, and any additional guidance provided by HUD, for such servicing. Additionally, HUD reserves all rights and remedies under the provisions and clauses of the contract when performance of any contract requirement is unacceptable, whether or not listed below.

#### **Specific Tasks**

The Contractor shall perform comprehensive loan servicing activities according to mortgage industry loan servicing standards as well as meet the specific needs of the Department and its customers. The Contractor shall utilize industry standard tools, manual preparation and/or interfaces with HUD's business service providers in performing the requirements of this PWS. In the event that any interface is not operational, it is the Contractor's responsibility to utilize other available resources as the requirements must still be met. Loan servicing activities include those financial and non-financial actions necessary to make sure that the portfolio of loans are managed and serviced in accordance with all applicable governing laws and in accordance with departmental policies, procedures and regulations. The major activities include document collection/validation, loan setup, accounting functions, payment collection according to the Fair Debt Collection Practices Act, disbursement of payments, annual recertification, foreclosure activities, bankruptcy activities, compliance monitoring, enforcement monitoring, preparation and recording of releases /and or satisfaction of mortgages.

**5.1** The Contractor shall furnish all necessary services, equipment, materials, licenses, supplies, facilities, personnel, and supervision to accomplish the tasks as specified in this Contract unless otherwise directed.

**5.1.2** The Contractor shall not utilize any tools, methods or processes that are standard industry loan servicing practices which are in conflict with any government requirements or applicable local laws.

**5.1.3** The Contractor shall ensure compliance with HUD regulations, references, outstanding policy memoranda, sound mortgage banking practices, accounting principles, state law, and other

Federal requirements as they are implemented.

**5.1.4** The Contractor shall maintain complete and accurate physical and electronic servicing files. The electronic files must include computerized notes documenting all servicing actions relating to the loan (loan history), electronically imaged copies of all documents generated by or relating to any servicing actions, and electronically imaged copies of all correspondence sent or received relating to the loan. All correspondence received shall be date stamped upon receipt, date stamp shall bear the name of Contractor, "Received" and received date; imaged and attached at loan level in SMART, within ten (10) business days of receipt. Hard copies of documents generated by any servicing actions shall be filed in the appropriate servicing file. The Contractor shall make available for review all response letters and any relevant supporting documentation upon request by the GTM/GTR. All shall be made available to HUD upon request. The Contractor shall track the receipt of legal instruments and verify that these legal instruments are completed in compliance with program requirements. The Contractor shall notify the sending parties and the GTR of non-receipt of legal instruments not later than specified in the most current HUD guidance or as specified by the GTR.

**5.1.4 Performance Standards**

***a) Standard: All correspondence received shall be date stamped upon receipt, imaged and attached at loan level in SMART no later than ten (10) business days from receipt.***

***AQL: 97% of all servicing correspondence is date stamped, imaged and attached at a loan level within 10 business days of receipt.***

**5.1.5** All files and data shall remain the property of HUD. The Contractor holds these loan documents and permanent records in custody for HUD. Electronically imaged documents shall be produced in hard copy when requested by HUD. The Contractor shall retain original legal documents. The Contractor shall account for all files placed in its custody by HUD, HUD's Former Contractor or a mortgage lender. If a file is lost, the Contractor shall be responsible and financially liable for reconstructing the file. The Contractor shall safeguard all documents including but not limited to legal documents, correspondences, accounting related documents, etc. by electronic imaging and storage. If the Contractor opts to use an offsite storage facility, the file storage facility provided by the Contractor shall meet all Federal requirements for storage of Federal records and financial assets. The files shall be located in a facility that allows these files to be available to the Contractor or staff not later than twenty-four (24) hours from request.

The legal documents for Puerto Rico cases cannot be duplicated or replaced; therefore, the Contractor shall safeguard all documents by electronic imaging and storage. The original legal documents for Puerto Rico cases shall be stored in fireproof cabinets for the life of the contract.

**5.1.6** The Contractor shall box closed files as they become appropriate for archiving. With authorization from the Contracting Officer, boxes used for archiving files at the Federal Records Center may be purchased from approved suppliers at the government price. The archived boxes shall be delivered, at the cost of the Contractor, to the National Servicing Center in Oklahoma City, Oklahoma for processing to the Federal Records Center in Ft. Worth, TX, in accordance with HUD Handbook 2225.6 Rev-1.

**5.1.7** Escalated correspondence received by the GTR or GTM may be forwarded to the Contractor for response preparation. The timeframe for response shall be determined by the GTR or GTM, but will not be later than five (5) business days from receipt of the correspondence. Routine correspondence will normally require a response not later than five (5) business days, but more urgent inquiries may require a faster turnaround, including one business day (1) requirements. The Contractor shall thoroughly review all loan level information and refer to HUD regulations, Handbook guidelines, Housing Notices and Mortgagee Letters to appropriately



respond to the inquiry. The Contractor shall prepare a detailed recommendation to the GTR/GTM that responds to all issues brought forth by the inquiry.

**5.1.7 Performance Standards**

***a) Standard: The Contractor shall respond to all escalated correspondence no later than five (5) business days from receipt of the correspondence.***

***AQL: No deviation to the standard.***

**Deliverables**

***A017 Escalated Correspondence Log Report***

**5.1.8** Governmental Inquiries -The Contractor shall notify the GTR not later than twenty-four (24) hours following receipt of any request for information from an elected or public official and shall, not later than two (2) business days of said request, provide written information to assist HUD in preparing a response.

**5.1.8 Performance Standards**

***a) Standard: The Contractor shall respond to all Governmental Inquiries no later than two (2) business days from receipt of the correspondence.***

***AQL: No deviation to the standard.***

**Deliverables**

***Governmental Inquiries Log Report***

**5.1.9** HUD Office of General Counsel (OGC) Inquiries - The Contractor shall process all requests from OGC for a Certificate of Indebtedness within two (2) business days of receipt of request.

**5.1.9 Performance Standards**

***a) Standard: The Contractor shall process all requests from OGC for a Certificate of Indebtedness within two (2) business days from receipt of request.***

***AQL: No deviation to the standard.***

## **5.2 Maximized recoveries from the loan portfolio at the earliest possibility-**

Contractor shall take whatever administrative actions are necessary to identify and protect the Government's interest in connection with bankruptcy such proceedings, but shall not act as the Government's representative in any hearings before the Court.

**5.2.1** If the Contractor anticipates a need for Government representation in an actual hearing before the Court, or to petition the Court on the Government's behalf (for example, to make a unilateral motion unsupported by the Debtor) then the Contractor shall promptly notify the GTR of such need. Thereafter, HUD will arrange for such representation by the Government attorney(s) from the Justice Department, or another Federal agency, as appropriate. The Contractor shall cooperate with said Government attorney(s) in support of the Government's case and continue to monitor said bankruptcy as indicated by the industry standards.

**5.2.2** The Contractor shall determine where bankruptcy has been filed or notices received. The Contractor shall deliver documentation of bankruptcy monitoring for review of the GTM/GTR by the tenth (10th) business day of each month.

**5.2.2 Performance Standards**

***a) Standard: The Contractor shall deliver proof of monthly bankruptcy monitoring to the GTR by the tenth (10th) business day of each month.***

***AQL: No deviation to standard.***

**Deliverables**

***A018 Proof of Bankruptcy Monitoring***

**5.2.3** If a mortgagor files bankruptcy, the Contractor shall utilize any tools or processes used in standard industry practices of loan servicing that are in the best interest of the Government.

**5.2.4** The Contractor shall prepare and file Proof of Claims not later than five (5) business days from notification of bankruptcy filing. The proof of claim shall be imaged upon receipt of recorded proof of claim.

**5.2.4 Performance Standards**

***a) Standard: The Contractor shall prepare and file Proof of Claims not later than five (5) business days from notification of bankruptcy filing.***

***AQL: No deviation to standard.***

**Deliverables**

***A018 Proof of Bankruptcy Monitoring***

**5.2.5** The Contractor shall ensure the Government's interests are protected through adherence to industry standard loan servicing practices and following all HUD policy directives. Any interests of the Government lost under this contract as the result of the action or inaction of the Contractor shall require said loss to be reimbursed to the Government by the Contractor for 100% of loss incurred. In the event that HUD's security interest is lost due to the Contractor's action or inaction, the amount due to the Government shall be the amount equal to the payoff amount of the loan as of the date that HUD is notified of the loss. Costs associated with remedying Contractor delays may not be charged or reimbursed by the Government.

**5.2.5 Performance Standards**

***a) Standard: The Department's interests are protected by adherence to industry standard practices of loan servicing and HUD***

***regulations/handbooks are adequately followed to ensure security interests of the Department are maintained to prevent loss due to negligence.***

***AQL: No deviation to the standard.***

**5.2.6 Loan Boarding** -The Contractor shall, for mortgages accepted under an assignment program or received under any other loan program, establish accounts in the appropriate computerized HUD service provider system not later than 2 business days from receipt. The Contractor shall notify the GTR/GTM of any discrepancies.

**5.2.6 Performance Standards**

***a) Standard: The Contractor shall board all new loans not later than two (2) business days from receipt, including loans that require manual establishment.***

***AQL: 97% of all new loans were boarded no later than two (2) business days from receipt.***

**Deliverables**

***A019 All loans boarded not later than two (2) business days.***

**5.2.6.1** The Contractor shall board partial claim case level data into the appropriate computerized HUD business service provider system daily upon receipt of daily file placed on the HUD Server by A43C (Claims System). The Contractor shall research and manually board all acceptable case level multiple claims from extraction rejects and establish accounts in the appropriate computerized HUD business service provider system not later than two (2) business days from receipt.

**5.2.6.1 Performance Standards**

***a) Standard: The Contractor shall board partial claims no later than two (2) business days after receipt of notification of rejections.***

***AQL: 97% of all partial claims were boarded no later than two (2) business days from receipt.***

**5.3 Accounting, Cash Management, Financial Analysis and Reporting-** The Contractor shall process payoff requests not later than two (2) business days from receipt of a request. The payoff request and completed payoff must be imaged and attached to the loan within ten (5) business days.

**5.3 Performance Standards**

***a) Standard: The Contractor shall process all payoff requests not later than two (2) business days from receipt of request.***

***AQL: 97% of all payoff requests were processed within two (2) business days.***

***Disincentive: - For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.***

**5.3.1** The Contractor shall process all payments received as required through Treasury not later than the next business day after receipt or by deposit only for funds being transferred to the Chief Financial Officer at HUD. The Contractor shall process payoff proceeds and allow for a shortage of up to \$10.00.

**5.3.1 Performance Standards**

***a) Standard: The Contractor shall process all payments to Treasury not later than the next business day after receipt or by deposit only for funds being transferred to the Chief Financial Officer at HUD.***

***AQL: 97% of all payments were processed not later than the next business day after receipt.***

**Deliverables**

***A020 Process all payments received not later than the next business following receipt***

***Disincentive: - For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.***

**5.3.2** Contractor shall keep a monthly log of all payments received. The monthly log shall be delivered to GTR by the tenth (10th) business day of each month.

**5.3.2 Performance Standards**

***a) Standard: The Contractor shall deliver a monthly log of all payments received by the tenth (10th) business day of each month.***

***AQL: No deviation to standard.***

**Deliverables**

***A021 Payment Received Log***

**5.3.3** The Contractor shall accept cash payments. The Contractor shall give the remitter a receipt and convert the cash to a bank draft or money order, and identify the draft or money order with the FHA case number the loan program to which it relates.

**5.3.4** The Contractor shall ensure complete documentation of all disbursements and other accounting related functions. All information relative to disbursements and accounting shall be readily accessible and filed in the loan level servicing file. All accounting files shall be the property of HUD and available to HUD upon demand during the Contractor's regular business hours. The files shall be forwarded to the GTR or GTM not later than five (5) business days from request.

**5.3.5** The Contractor shall process any non-sufficient fund (NSF) check twice before assessing a \$10.00 NSF charge to the homeowner's account. The Contractor shall make all documentation available for review at the request of the GTM/GTR. The Contractor shall issue an NSF letter not later than two (2) business days of the assessment, advising the homeowner of charges added to the account.

**5.3.6** The Contractor shall not charge fees or assess late charges on Secretary-Held mortgages:

- For providing statements of account to mortgagors.
- For processing an assumption for an Assignment Program first mortgage.

**5.3.7** The Contractor shall perform cash reconciliation on a daily and monthly basis; the contractor shall ensure controls are adequate and transactions are verified for accuracy; and shall post and research schedules sent by the Treasury Department. All noted variances must be corrected/cleared within fifteen (15) calendar days of identification. Notification and backup documentation for variance correction shall be delivered to the GTR upon correction. The Contractor shall provide accounting and disbursements records to the GTR not later than five (5) business days from request.

**5.3.7 Performance Standards**

***a) Standard: The Contractor shall perform cash reconciliation on a daily and monthly basis. Cash reconciliations must be delivered no later than the fifth (5) business day of each month.***

***b) Standard: Variance correction shall be corrected/cleared within fifteen (15) calendar days of identification.***

***AQL: No deviation to the standard.***

**Deliverables**

***A023 Cash Reconciliation***

**5.3.8** The Contractor shall reconcile and balance bank statements and shall submit the bank statements and reconciliations not later than the tenth (10th) business day of the month to the GTR. Outstanding checks, aged ninety (90) calendar days or greater shall be reconciled and reported to the GTR by the tenth (10th) business day of the month.

**5.3.8 Performance Standards**

***a) Standard: Bank statements and reconciliations shall be submitted to the GTR not later than the tenth (10th) business day of the month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A022 Bank account reconciliations***

**5.3.9** The Contractor shall ensure all federal tax reporting requirements are processed timely in accordance with IRS rules. The contractor shall ensure controls are adequate and transactions are verified to maintain accurate reporting for IRS forms 1098's, 1099A, 1099M and 1099C.

**5.3.10** The Contractor shall coordinate and share responsibility with the business service provider to ensure these items occur:

- Provide proper and accurate proprietary and budgetary accounting transactions
- Deliver complete and accurate supportive reconciliations between servicing activities and accounting transactions

- Create and /or modify various trial balance reports based on client needs per Treasury requirements

**5.3.11** The Contractor shall provide the following activities to properly account for the Single Family secretary-held cases in inventory using the SMART business service provider:

- Maintain Accounting of Case Inventory-monthly
- Maintain Trial Balance-monthly
- Produce Subsidiary reports to support control totals sent to the General Ledger (FHASL)-monthly
- Provide daily, monthly, quarterly, year-to-date (YTD), and year-end reconciliations

**5.3.12** The Contractor shall record transactions in conformity with accounting principles generally accepted in the United States of America applicable to Federal agencies (Fergal) as promulgated by the Federal Accounting Standards Advisory Board (FASAB), adhere to Federal government accounting guidance issued by the Office of Management and Budget and ensure that all accounting transactions comply with the Office of Management and Budget's (OMB) Financial Management Line of Business (FMLOB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems.

**5.3.13** The Contractor shall use FHA-approved Posting Models to record all transactions including disbursement (accounts payable) and collection (accounts receivable) transactions.

**5.3.13 Performance Standards**

**a) Standard: The Contractor shall ensure that all transactions are correctly posted in accordance with the most recent FHA approved posting model.**

**AQL: 97% of all transactions were posted correctly in accordance with the most recent FHA approved posting model.**

**5.3.14** The Contractor shall apply all applicable professional accounting standards to:

- Capture, validate, correct, analyze, update, research, reconcile, and record all accounting events and transactions at the case and summary levels
- Maintain case level inventory for case establishments, pay-offs, terminations, cancellations and foreclosed properties
- Prepare daily disbursement file and send to Treasury for payment and the FHASL
- Process daily collection file including NSF transactions from Treasury and apply collections at the case level
- Process daily collection reports for FHA Accounting
- Process daily disbursement report for FHA Accounting
- Produce trial balance accounting reports to support all balances for accounts receivable and accounts payable
- Record and post all journals monthly to the FHASL using the correct FHASL chart fields (Fund, Program code, Cohort, Vendor Category, Accounting area, Activity type, etc.)
- Produce General Ledger Trial Balance report with monthly, quarterly, Year-to-Date, and cumulative totals
- Provide case level detail to support accounts receivable and accounts payable balances

**5.3.14.1** The Contractor shall share in the production of the transaction data file that will be interfaced into the Federal Housing Administration Subsidiary Ledger (FHASL) on a daily basis with the SMART business service provider.

**Deliverables**

**A023 Daily and monthly Treasury Cash Reconciliations**

**5.3.15** The Contractor shall provide the following reports identified by \*\*, with the capability to export into excel, on a monthly basis, by the second (2) business day of the month for the prior

month, to properly support servicing transactions that were recorded in the subsidiary ledger. Reports include, but are not limited to the following as they will expand beyond the list provided based on the agency's needs and/or per Treasury requirements.

**5.3.15 Performance Standards**

**a) Standard: The Contractor shall deliver Month End Accounting Reports no later than the Second (2nd) business day of each month.**

**AQL: No deviation to the standard.**

**Deliverables**

***A024 Trial Balance Report\*\****

***A024 Receivables Report\*\****

***A024 Inventory Report\*\****

***A024 Transaction Detail Report\*\****

***A024 Cash Report\*\****

***A024 Foreclosure Report***

***A024 Missing Promissory Notes Report\*\****

***A024 Aged or Outstanding Check Report***

***A024 OTCNet Check Summary Report***

**5.3.16** The Contractor shall generate month-end closing procedures to summarize all accounting transactions and transmit these transactions to the FHASL. The Contractor shall close Accounting Period financial transactions in the Contractor's business services General Ledger, and update the FHA General Ledger (FHASL).

**5.3.17** The Contractor shall validate transaction detail report activity against transaction data file activity prior to interface.

**5.3.18** The Contractor shall validate transaction detail report activity against trial balance reports daily.

**5.3.19** The Contractor shall perform quarterly analyses on all aging or non-performing accounts and shall generate statistics that provide a forecast of future account stability for the purpose of disposition. Based upon these analyses the Contractor shall maximize account resolutions every month to reduce cost and potential loss associated with aging and non-performing portfolios.

**5.3.20** The Contractor shall prepare, execute and record releases and/or satisfactions, including any ancillary documents required to complete the release, or facilitate the recordation, not later than fifteen (15) business days from receipt of a request that a release is required. The Contractor shall utilize industry standard tools, manual preparation and/or interfaces to prepare and execute releases and/or satisfactions at the cost of the Contractor. In the event that any interface is not operational, it is the Contractor's responsibility to utilize other available sources as the requirement must still be met. The recording cost(s) of the releases will be treated as a reimbursable expense. Document retrieval expenses will be at the expense of the Contractor. Upon receipt of the Original recorded release, the contractor shall image the recorded release or satisfaction and mail the original to the mortgagor. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

**5.3.20 Performance Standards**

**a) Standard: The Contractor shall prepare, execute and submit for recordation all satisfaction of liens (releases) within fifteen (15) business days of notification that a release is needed.**

**AQL: 97% of all releases shall be prepared, executed and submitted for recordation within fifteen (15) business days of notification that a release is needed.**

**Disincentive:** - For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.

**Deliverables**

**A025 Release Report**

**5.3.21** The Contractor shall document release activity, including the receipt of rejected releases, at a loan level in the appropriate servicing system within five (5) business days of receipt. All rejected releases must have necessary corrections made and sent for recording within two (2) business days of receipt.

**5.3.21 Performance Standards**

**a) Standard:** Contractor shall document release activity, including the receipt of rejected releases, at a loan level in the appropriate servicing system within five (5) business days of receipt.

**AQL:** 97% release activity is documented in the Servicing system within five (5) business days of receipt.

**b). The Contractor shall correct all rejected releases and submit for recordation within two (2) business days of notification of rejection.**

**AQL:** 97% of all rejected releases shall be corrected and sent for recordation within two (2) business days of notification of reject.

**5.3.22** Write-offs – The Contractor shall submit a complete write-off package to HUD within five (5) business days of HUD notification to write-off the loan balance. Upon HUD approval, Contractor shall complete appropriate transaction within 2 business days of receipt.

**5.3.22 Performance Standards**

**a) Standard:** Contractor shall submit complete write-off package to HUD within five (5) business days of notification to write-off.

**AQL:** 97% submit write-off package within five (5) business days of notification.

**b) Contractor shall correct complete the appropriate transaction within two (2) business days of receipt of approval.**

**AQL:** 97% of all write-off transactions are completed within two (2) business days of receipt of approval.

**5.3.23** The Contractor shall review and process subordinations upon requests from interested party, ensure receipt of recorded subordination agreements, and issue notices if the agreement has expired.

**5.3.23 Performance Standards**

**a) Standard:** The Contractor shall review and process subordinations within five (5) business days of receipt.

**AQL:** 97% of all subordinations were processed within five business days of receipt.

**b) Standard:** The Contractor shall issue a notice of expiration to the requestor within five (5) business days of expiration date.

**AQL:** 97% of all notices were issued within five business days if applicable.

## **5.4 Occupancy Certifications**

**5.4.1** The Contractor shall send Annual Occupancy Certification letters for all programs with occupancy requirements, to the mortgagors at least thirty (30) calendar days prior to the anniversary of the occupancy date. If the mortgagor does not respond within fourteen (14) calendar days from the date of the initial letter, the Contractor shall send a follow up Certification Letter marked "Second Request." If the mortgagor fails to respond to the second request, the Contractor shall notify GTM not later than two (2) business days after the anniversary of occupancy date, to verify the occupant of the property. Provided the mortgagor is in compliance at the end of the programs compliance period, the Contractor shall request approval by the GTM/GTR and shall release the recorded subordinate mortgage within five (5) business days of the expiration of the occupancy period or the receipt of all signed certification letters, GTM/GTR approval or whichever is later.

**5.4.1 Performance Standards**

***a) Standard: The Contractor shall send annual occupancy certifications accurately and at least thirty (30) calendar days prior to the anniversary of the occupancy certification due date.***

***AQL: 97% of all occupancy letters were sent at least thirty calendar days prior to the anniversary of the occupancy certification due date.***

## **5.5 Asset Sales - Past and Future**

**5.5.1** The Contractor shall handle case level questions; resolve missing payments; process application of payments; research taxes due and/or paid; explain case level adjustments as reflected in the loan history; prepare spreadsheets and provide copies of annual loan statements and/or history screen prints for loans sold; and maintain a log of calls for preparation of monthly reports submitted to the GTM. As required, the Contractor shall provide assistance with due diligence activities such as providing loan files for review in a secure, controlled environment as well as packaging loan files for shipment within fifteen business days of notification of settlement following the sale. The shipping fees shall be reimbursable. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

**5.5.2** The Contractor shall identify loans with partial claims found on the 601 Asset Sales preliminary list of loans provided to the Contractor by the GTR/GTM and return response within three (3) business days of receipt. Once the Asset sale takes place the Contractor shall receive a sales list from HUD to confirm final loan balance. The Contractor shall pull collateral files and prepare files for transfer per the Purchaser Transfer Instructions provided by the GTR/GTM. The Contractor shall generate a Good Bye Letter and send to borrower within ten (10) days of file transfer completion.

**5.5.2 Performance Standards**

***a) Standard: The Contractor shall accurately identify loans with partial claims found on the 601 Asset Sales list within three (3) business days of receiving sales list from GTR/GTM.***

***AQL: No deviation to standard.***

***b) Standard: The Contractor shall generate a Good Bye Letter and send to borrower within 10 days of file transfer.***

***AQL: 97% of all Good Bye Letters are sent to the borrower within 10 days of file transfer completion.***

**5.5.3** The Contractor shall take phone calls from mortgagors concerning the sale of their loans, answer HUD-related questions or direct them to the appropriate purchaser and provide written



responses addressing the delinquent status of the loans sold. The written responses, in some cases, shall require the Contractor to prepare and send a letter of explanation and payment history on the account. This shall include an explanation of the transaction/field codes to assist in interpreting the payment history.

**5.5.4** The Contractor shall investigate mortgagor complaints to determine if the purchaser is servicing the mortgage according to the loan sale agreement, notify the GTR or GTM in writing of any instances of loan sale agreement violations, and maintain a log of complaint calls received. The log of calls shall contain the mortgagor's last name, account number and type of complaint indicating referral to GTR or GTM or resolution for preparation of monthly reports to the GTR or GTM. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

## **5.6 Special Loan Servicing for Specific FHA Programs**

**5.6.1 Emergency Home Loan Program (EHLF)** - Prohibition Against Secondary Residence - Under the EHLF program, the HUD lien becomes due and payable in the event the homeowner no longer resides in the mortgaged property as their principal residence, but continues to maintain ownership (e.g., is leasing the property to a tenant)

**5.6.1.1 Prohibition Against Reselling Residence** - If the homeowner sells the home during the 5-year loan forgiveness period a portion of the HUD lien may become due and payable. The contractor shall calculate the amount due HUD, to be collected from the entity handling the transaction.

**5.6.1.2 Prohibition Against Refinancing Residence** - If the homeowner refinances their first mortgage while participating in the EHLF 5-year loan forgiveness period a portion of the HUD lien may become due and payable. The contractor shall calculate the amount due HUD, to be collected from the entity handling the transaction. Any portion not remitted to HUD shall be transferred to the FOC.

**5.6.2 Insured 235 Recapture Program** -The Contractor shall process 235 recapture requests for payoff no later than two (2) business days from receipt of complete package.

### **5.6.2 Performance Standards**

***a) Standard: The Contractor shall process recapture requests no later than two (2) business days from receipt of complete package.***

***AQL: 97% of all recapture requests were processed not later than two (2) business days from receipt of complete package.***

**5.6.3 Hope for Homeowners (H4H)** - Under the H4H program, borrowers are prohibited from taking out new subordinate liens for the first 5 years of the mortgage except when necessary to ensure maintenance of property standards. In the event of any refinance of the H4H mortgage, the borrower must pay to HUD its full equity interest as stated in the SEM. H4H mortgages may not be financed using the FHA streamline process. The borrower must pay to HUD the full amount owed under the EPM for mortgages originating on or after January 1, 2010.

**5.6.3.1** Upon receipt of a written request from a borrower, the calculation of accrued appreciation may be reduced by an amount equal to 75% of the actual expenditure for capital improvements provided the borrower submits original or legible copies of paid

invoices itemizing the work completed. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

**5.6.3.2** The Contractor shall perform regular monitoring to ensure no new debt is incurred for H4H mortgages without HUD's approval, based on applicable HUD regulations and guidance. The contractor shall upon 30 days from the anniversary date obtain a lien search to validate that no new debt has occurred. (Lien search is a reimbursable expense.) Violations shall be reported to the GTR or GTM, not later than two (2) business days of the anniversary date, or as otherwise directed within HUD's guidance.

**5.6.3.2 Performance Standards**

***a) Standard: Contractor shall report violations to GTR/GTM no later than two (2) business days of the anniversary date, or as otherwise directed within HUD's guidance.***

***AQL: 97% of the violations were reported to the GTR/GTM within two (2) business days of the anniversary date.***

**5.6.3.3** Upon sale or other disposition (transfer of title without sale) the borrower must satisfy both the SEM (if not already satisfied through refinance) and the SAM, or the EPM as is applicable. Upon receipt of a payoff request, the Contractor will prepare the respective payoff statement in the manner described in the servicing guidance mortgagee letters. To the extent that there is appreciation available for distribution, the Contractor will provide instructions to the closing agent to distribute the funds at closing.

**5.6.4 Partial Claims** - Servicers are required to send Partial Claim original promissory notes to the Contractor within 60 days of the date of execution, with the recorded mortgage due within 6 months of execution. The Contractor shall track the receipt of both the original promissory note and recorded mortgage as well as verifying that these legal instruments are completed in compliance with program requirements. The contractor notifies the Servicers on a monthly basis of all missing documents.

**5.6.4.1** The Contractor shall prepare and distribute 61-day Notice Letters and Spreadsheets for missing Partial Claim Original Notes to Servicers/Holders by the tenth (10) business day of each month for the prior months.

**5.6.4.1 Performance Standards**

***a) Standard: The Contractor shall deliver accurate individual 61-day notice letters and spreadsheets by the tenth (10th) business day of the month.***

***AQL: 97% of the 61-day notice letters and spreadsheets were accurately delivered by the tenth (10th) business day of the month.***

**5.6.4.2** The Contractor shall generate and distribute Reimbursement Request letters when a Servicer/Holder fails to submit the missing mortgage or note documents by expiration of the six (6) months from execution date by the seventh (7) business day of the month. The first letter expires thirty (30) days from issuance with a second letter generated and distributed within seven (7) business days after expiration. The second letter expires 30 days after issuance.

**5.6.4.2 Performance Standards**

***a) Standard: Deliver accurate individual Reimbursement Request Letters and spreadsheets to the Servicer/Holder by the seventh (7) business day of the month.***

***AQL: 97% of the reimbursement request letters and spreadsheets were accurately delivered by the seventh (7) business day of the month.***

***b) Standard: Following expiration of Reimbursement Letter one (1) deliver accurate individual Reimbursement Request Letter two (2) and spreadsheets to the Servicer/Holder within seven (7) business days after expiration of the first letter.***

***AQL: 97% of the reimbursement request letter 2 and spreadsheets were accurately delivered within seven (7) business days after expiration of the first letter.***

**5.6.4.3** The Contractor shall process terminations in HUD's business service provider system utilizing the termination report generated by HUD. The Contractor shall update SMART with terminations within five (5) business days of receiving the termination report. The Contractor shall transfer all eligible files to HUD's Financial Operations Center for collection within fifteen (15) business days of receipt of termination report.

**5.6.4.3 Performance Standards**

***a) Standard: The Contractor shall update SMART with terminations within five (5) business days of receiving the termination report***

***AQL: 97% of all terminations were noted in the system within five business days of receiving the termination report.***

***Disincentive: - For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.***

***b) Standard: Transfer all eligible partial claims to FOC within fifteen (15) business days of receiving the termination report.***

***AQL: 97% of all terminations were correctly transferred to the FOC within fifteen (15) business days of receiving the termination report.***

***Disincentive: - For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.***

**5.6.5 Compliance Mortgages - ACA Program:** The Contractor shall forward the release package directly to the sellers' or buyers' designated closing agent for them to do the recordation. In rare instances, the Contractor may be required to record the compliance mortgage release. If the GTR directs the Contractor to record the release of a compliance mortgage, the recording costs for the release and any ancillary documents, shall be reimbursable. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

The Compliance Note and Mortgage is between HUD and the ACA Participant (government entity or nonprofit group). The Compliance Mortgage shall be released by the Contractor upon the receipt of the ACA Program Compliance Certificate from the ACA Participant, or their agent. The Compliance Certificate will include a statement from the ACA Participant specifying if an Enforcement Note and Mortgage will be made.

**5.6.5 Performance Standards**

***a) Standard: The Contractor shall forward the release package to the sellers' or buyers' designated closing agent no later than three (3) business days of receipt.***

***AQL: 97% of the release packages were sent no later than three (3) business days of receipt.***

**5.6.6 Enforcement Mortgages - ACA Program:** The Contractor shall process the satisfaction/release. This mortgage shall be released upon completion of the one or three-year occupancy requirement period. If the Eligible Buyer seeks earlier release of the second mortgage, the Contractor shall coordinate the payoff activity, prepare written payoff documents and provide to the buyer or the buyer's agent within two (2) business days of receipt of request. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

**5.6.5 Performance Standards**

***a) Standard: The Contractor shall prepare payoff documents and provide to the buyer or designee with two (2) business days of receipt of requests.***

***AQL: 97% of all payoff documents were prepared and provided to borrower buyer or designee within two (2) business days of receipt of request.***

**5.7 Customer Service**

The customer service support operation is to provide customer service, technical assistance, and assistance to mortgagors and lenders in a consultative manner, specifically in the area of Loss Mitigation and Loan Servicing issues and support services to HUD's National Servicing Center.

**5.7.1** The Contractor shall receive and respond to inquiries from customers received during established operating hours. All calls shall be routed to a Customer Service Representative within one (1) minutes of the caller's choice to do so. The Customer Service Representative shall make every attempt to remedy the call upon intake and in the event of further escalation, the Customer Service Representative shall make a warm transfer to the appropriate Loss Mitigation program area. When a call is transferred, the Contractor shall remain on the line until the connection to the transfer is completed. All calls should be answered by a Loss Mitigation Specialist within two (2) minutes. All calls received outside of normal business hours where a voicemail was received shall be returned not later than 12 noon the next business day. The Contractor shall not manipulate the call numbers (e.g., placing calls to the customer service center, placing callers on hold after answering the call, forcing callers to voice mail once in the queue or other means) or the volume reported or percentages to skew the data. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

**5.7.1 Performance Standards**

***a) Standard: The average wait time for all callers who choose to speak to a Customer Service Representative shall be no more than one (1) minutes for 90% of all calls received for the quarter.***

***AQL: No deviation from standard.***

***Disincentive: For each 15-second increment in which the average wait time is longer than the standard, the disincentive will be 1% of the invoice amount for the CLIN titled "Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter reviewed. In no event shall it exceed a maximum of 6% per quarter for the invoice.***

***b) Standard: The average wait time for all callers to speak to a Loss Mitigation specialist (warm transfer) shall be no more than two (2) minutes for 90% of all calls received for the quarter.***

***AQL: No deviation from standard.***

***c) Standard: All calls received outside of normal business hours where a voicemail was received shall be returned not later than 12 noon the next business day.***

***AQL: No deviation from standard.***

**5.7.2** The Contractor shall search databases for customer information, prior calls, property information and related issues; and provide Mortgagors with loan servicing information and loss mitigation tools available through their mortgage lenders. Mortgagors shall be referred to their lender's loss mitigation department and to the housing counseling agencies available in their area. If the Contractor determines HUD expertise is required to complete the call, the Contractor shall warm transfer the call to the appropriate HUD office and/or cold transfer to a specified lender. It is anticipated that no more than 20% of all calls will be transferred. When a call is transferred, the Contractor shall remain on the line until the connection to the transfer is completed. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

**5.7.3.** The Contractor shall clear the Supervisor Inbox Queue every hour through proper resolution of each forwarded ticket by the CSR to the Supervisor's queue. Tickets shall be cleared from the Supervisor's queue no later than 60 minutes from entry into the queue.

**5.7.3 Performance Standards**

***a) Standard: The Contractor shall clear the Supervisor Inbox Queue every hour through proper ticket resolution.***

***AQL: 95% of tickets were cleared no later than one hour from entry into the queue.***

**5.7.4** The Contractor shall verify callers have an FHA insured mortgage and that the loan is currently active in HUD's system of record. It may be necessary for the Contractor to search additional HUD's system of record, including but not limited to SFIS, Neighborhood Watch, HERMIT or SMART.

**5.7.5** The Contractor's employees shall possess a wide range of knowledge of HUD's program areas in conjunction with customer servicing activities and other activities associated with the expanded customer service support, in order to direct all calls in a timely manner. The GTR will provide detailed instruction relative to the proper routing of calls.

**5.7.6** The Contractor shall use the ticketing feature in SMART for transmission of designated approval requests to HUD.

**5.7.8 Response Time** -The Contractor shall provide prompt, courteous and accurate response to all inquiries regarding requests for loan information in general. The Contractor shall respond to telephone messages not later than 12 noon or one (1) business day of the date the call was placed to the Contractor's office or the expiration of such shorter or longer period as expressly authorized or required by this PWS. The Contractor shall respond to written and electronic inquiries no later than two (2) business days following receipt of the inquiry or the expiration of such shorter or longer period of time expressly authorized or required by this PWS. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

**5.7.8 Performance Standards**

***a) Standard: The Contractor shall respond to telephone messages not later than twelve (12) noon or one (1) business day of the date the call was placed to the Contractor's office.***

***AQL: No deviation to standard.***

***b) Standard: The Contractor shall respond to written and electronic inquiries no later than two (2) business days following receipt of inquiry.***

***AQL: No deviation to the standard.***

**5.7.9 Complaints on Contractor's Performance** – The GTR or GTM will monitor the Contractor's performance as follows: (1) Review correspondence logs for valid complaints and assess related corrective action taken; (2) Review complaints from any HUD officer, employee, borrower, agent, contractor or other person, company, partnership, corporation or governmental agency or department, acting for or on behalf of HUD.

**5.7.9 Performance Standards**

***a) Standard: Only 5 validated complaints about the service provided by the Contractor may be received during the quarter.***

***Disincentive: For each validated complaint after the first five complaints, the Contractor shall be assessed a \$200 disincentive for each complaint validated greater than five.***

**5.7.10** The Contractor shall log all calls received and electronic messages forwarded from the National Servicing Center to the contractor's Customer Service electronic box into SMART as a separate call, unless a record exists for 1) the applicable FHA Case Number, 2) the caller for non-FHA related calls. Calls will be classified in three categories: 1) Active FHA insured loans, or 2) All other inquiries, including Terminated FHA. The Contractor shall make all documentation available for review at the request of the GTM/GTR. Records associated with Inquiries shall contain, at a minimum, the following eight required fields:

- The caller and/or mortgagor's name
- FHA case number or Loan number (if applicable)
- Caller's telephone number (as verbally disclosed by the caller)
- Additional telephone numbers at which the caller may be reached
- Complete property address
- The name of the mortgage company (if applicable)
- Nature of the issue
- Disposition of the call

The Contractor shall capture the following additional information as applicable:

- Mortgage company loan number
- Mortgage Lender I.D. (if available in A43)
- Social Security Number (SSN)
- The name of the Housing Counselor
- The Housing Counseling Agency assisting the mortgagor(s)
- The name of the contact at the mortgage company (assisting the mortgagor(s))
- The telephone number for the servicer contact.

**5.7.11** All Other Inquiries, in category 2, shall contain a subcategory for inappropriate calls. Records related to inappropriate calls are an exception to the above listed requirements and shall contain only "N/A", where applicable, with a brief explanatory message in the Nature of the Issue Field. Inappropriate calls are those from callers who inadvertently dialed the wrong number and are unrelated to the Customer Service Center. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

**5.7.12** Customer Service Reports-The Contractor shall provide via email, a report listing all customer relation and servicing functions performed the prior month. The report shall be generated in an Excel file or other format acceptable to the GTR. The report shall include the following information:

- Date of Report
- Total number of calls received
- Number of servicing calls referred to the NSC offices
- Number of all other calls referred
- Number of calls referred to callers' mortgage lenders
- Number of calls handled by HUD's Loan Servicing Contractor

- Number of calls referred to other HUD Offices/HOC's
- Number of congressional inquiries received
- Number of Abandoned Calls
- Number of Terminated Calls

**5.7.12 Performance Standards**

***a) Standard: Customer Servicing Report shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

**5.7.13 Customer Status Report** - The Contractor shall provide a report listing the number of calls handled the previous month, how many are still open (including any open calls from prior periods) and the reason they are still open (e.g., controlled correspondence, need financial information, etc.).

**5.7.13 Performance Standards**

***a) Standard: Customer Status Report shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

**5.7.14 Timeliness Reports** - The Contractor shall provide a report showing the timeliness of calls answered at the Customer Service Center within all queues.

**5.7.14 Performance Standards**

***a) Standard: Timeliness Report shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

**5.7.15 Abandoned Reports** - The Contractor shall provide a report listing total abandoned calls, abandoned call rate, and abandoned average hold time for all queues.

**5.7.15 Performance Standards**

***a) Standard: Abandoned Reports shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

**5.7.16 Voicemail Report** - The Contractor shall provide a system generated report of all calls being answered by voicemail. This report shall contain the date, time of the call, phone number of the caller, date and time of the contractor's returned call along with results of the returned call.

**5.7.16 Performance Standards**

***a) Standard: Voicemail Report shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

**5.7.17 Telecommunication Status Reports** - The Contractor shall provide a report detailing the monthly status of the telecommunications system, including any scheduled and unscheduled time when the system was unavailable for callers to access. This report shall list all calls received, the response time and the length of each call. The Contractor shall ensure that the

telecommunication system maintain an operational capability 100% of the time, except during periods of approved documented scheduled maintenance.

**5.7.17 Performance Standards**

***a) Standard: Telecommunication Status Report shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

**Disincentive:** The contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractor's telecommunications system was inoperable during the quarter. For example, if the system were down for any reason for 2 hours (120 minutes) during a quarter, the Contractors invoice would be reduced by 1% on the applicable CLIN as calculated as follows:

**Operational Hours in Quarter = 750 [(3000 business hours for 2017 = 750 business hours or 45,000 business minutes per quarter)]**

**Downtime = 2 hours (120 Minutes)**

**Percentage of downtime = .003% (120 divided by 45,000 equals 1% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 1%.**

**Disincentive provisions relating to maintaining continuous telecommunications systems shall not be applied to specific events arising solely from Force Majeure conditions.**

2017 Business Day Summary Based on a 12-hour work day (7 am to 7 pm)

	Su	Mo	Tu	We	Th	Fr	Sa	Total
Days	0	45	51	52	51	51	0	250
Hours	0	540	612	624	612	612	0	3000

\*750 Business hours will be used for the quarterly total.

**5.7.18 Information Records Reports** - The Contractor shall provide a report listing all call records created during the month, sorted in numerical sequence by record number and a report listing all records created during the month sorted by Customer Service Representative.

**5.7.18 Performance Standards**

***a) Standard: Information Records Reports shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

**5.7.19 Summary Report** - The Contractor shall provide a monthly report showing the total calls presented to each skillset, total answered calls, total abandoned calls, total disconnected calls, total staffed calls, average time to answer, average time to abandon and average service level percentage.

**5.7.19 Performance Standards**

***a) Standard: Summary Report shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

**5.7.20 Telephonic Reports** - The Contractor shall provide a monthly telephone vendor, system generated report showing abandoned call count, abandoned call rate, abandonment total hold time, abandonment average hold time, abandonment longest hold time, completed call counts,



completed call rate, completion total hold time, completion average hold time, and completed longest hold time.

**5.7.20 Performance Standards**

***a) Standard: Telephonic Report shall be delivered by the tenth (10th) business day of each month.***

***AQL: No deviation to standard.***

**Deliverables**

***A026 Customer Service Month End Reports***

## **5.8 Loan Servicing Reports**

Standard reports including but not limited to, those reports described below. The Contractor shall deliver all reports to the GTR and GTM accordingly but, not later than the fifth (5th) business day after the end of each month, except for Ad Hoc Reports and Accounting Reports.

**5.8.1 Contractor Accomplishments and Issues Report**-The Contractor shall report accomplishments, such as efficiency improvements for the previous month, and any issues requiring GTR attention. The report shall be in a format acceptable to the GTR.

**5.8.1 Performance Standards**

***a) Standard: The Contractor shall report no later than the fifth (5) business day of each month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A027 Month End Reports***

**5.8.2 Information Status Report**-The Contractor shall provide a summarized status report on delinquency servicing, foreclosure status, portfolio collection, new loans established, portfolio reconciliation, disbursements, mortgage release activity, customer service, custodial, and portfolio loss/write-offs. This report is also known as the Director Report.

**5.8.2 Performance Standards**

***a) Standard: The Contractor shall report no later than the fifth (5) business day of each month.***

***AQL: No deviation to the standard.***

**Deliverables**

***A027 Month End Reports***

**5.8.3 SSAE 16 Audit** - The contractor shall collaborate with the BSP contractor on the SSAE 16 Audits. An independent auditor will report annually on the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the control description specifically relating to this contract. HUD's Contracting Officer, for this contract, will approve the contractor's selection of an independent public accounting firm to perform the audit. The auditor's report shall conform to the Statement on Standards for Attestation Engagements No. 16 (SSAE 16) Reporting on Controls at a Service Organization published by the American Institute of Certified Public Accountants (AICPA). The auditors shall conduct a Service Organization Controls (SOC) 1, Type 2 SSAE 16 audit. The contractor shall provide the auditor with access to all systems, facilities; information and people required perform the audit. The control objectives of the audit shall be at a minimum, equivalent to those required under the General Accounting Office Federal Information Systems Computer Audit Manual (FISCAM) for performing all work. The procedures and report shall meet the FISCAM requirements and shall include application systems testing. Each review shall follow guidance provided by GAO's FISCAM Manual and include a corrective action plan. The control

objectives shall also include controls affecting cash collections and disbursements; controls affecting the acquisition, servicing, and disposition of Single Family notes, and other HUD first and second mortgage notes. A final audit will be performed at or as of contract expiration in the year in which the contract expires. The contractor shall review the report, respond to each finding, and identify its proposed corrective actions. The contractor's response shall be received by the GTR/GTM within twenty (20) days after the contractor receives a copy of the audit report. The auditor's annual reports shall cover operations from effective date of full servicing capacity through June 30, 2017 for the first year. The report will cover from July 1, 2017 to June 30, 2018, and annually thereafter. The draft report must be delivered to HUD's GTR by August 20 each year respectively, and the final report by September 15th respectively each year.

**5.8.4** The Contractor shall coordinate and collaborate with the BSP Contractor to transfer data to and from each business service provider according to HUD's approved IT policies and procedures. The contractor shall coordinate with the GTR to ensure adequate safeguards are followed.

**5.8.5 Ad Hoc Reports** - The Contractor shall develop Ad Hoc Reports as requested by the GTR or GTM. These Ad Hoc Reports shall be created in a format accessible by HUD. HUD requires Ad Hoc Reports upon request. All Ad Hoc Reports shall be delivered within three (3) business days of request, unless otherwise agreed to by the GTR or GTM.

5.8.5.1 Ad Hoc Requests - Where possible, the Contractor shall adapt existing canned reports to fulfill new requests and document the report name, specifications, date of the request, authorization and deliver. The Contractor will catalog AD HOC requests and will quantify the types of reports requested, turnaround time, and provide status and volume information in the monthly Status Report.

**Deliverables**  
***A028 Ad Hoc Reports***

## 6 Deliverables

The Contractor shall complete all work and submit all deliverables as specified herein. The Government reserves the right to make changes to delivery dates. The deliverables chart summary chart below lists some of contract's primary deliverables. While some contract deliverables may not be listed in the chart below, requirements not appearing on the Deliverables chart do not negate the Contractor's obligation to perform and deliver all requirements as specified in the contract.

Number	Name	Frequency	Quantity
A001	System Security Administrator	Once	1
	Contractor shall name a System Security Administrator and notify the GTR not later than 5 business days from the award date of the contract.		
A002	Notification of Office Site	Once	1
	Contractor shall submit address of office site to the GTR not later than 10 business days from the award date of the contract.		
A003	Notification of Phase One Completion	Once	1
	Contractor shall notify the GTR upon completion of Phase One.		
A004	HUD Systems Clearance Requirements	When	1

		required	
	HUD Systems clearance requirements shall be completed by the Contractor not later than 20 business days from the effective date of the contract and 7 business days from new hire.		
A005	Prepare Limited Power of Attorney	As needed	1
	Contractor shall prepare a Limited Power of Attorney not later than 10 business days from the effective date of the contract and annually thereafter.		
A006	Deposit Only Account Information	Once	1
	Contractor shall establish a Deposit Only Account and provide information to GTR not later than 14 business days from the effective date of the contract.		
A007	Quality Control Plan	Once	1
	Contractor shall submit their Quality Control Plan not later than 30 calendar days following the Post Award Conference		
A008	Management Work Plan	Once	1
	Contractor shall submit their Management Work Plan not later than 30 calendar days from the effective date of the contract.		
A009	Develop and Submit COOP Plan	Once	1
	Contractor shall develop and submit their COOP Plan not later than 30 calendar days from the effective date of the contract.		
A010	Servicing Training	Once	1
	Contractor shall submit list of trainees to GTR 2 business days prior to commencement of training		
A011	Loan Servicing Guide	Once	1
	Contractor shall develop and submit their Loan Servicing Guide not later than 60 calendar days from the effective date of the contract.		
A012	Complete Infrastructure and Fully Operational	Once	1
	Contractor shall provide notification to the GTR not later than 120 calendar days from the effective date of the contract.		
A013	Commence File Transfer	Once	
	Contractor shall commence file transfer not later than 60 calendar days from the effective date of the contract.		1
A014	Complete File Transfer	Once	1
	Contractor shall complete file transfer not later than 95 calendar days from effective date of contract.		

A015	Welcome Letters	Once	1
	Contractor shall prepare and mail welcome letters on all open loans not later than 100 calendar days from the effective date of the contract.		
A016	All Correspondence	daily	12
	Date stamped, imaged and attached to BSP within 10 business days of receipt		
A017	Escalated Correspondence Log Report	monthly	12
	Monthly report delivered in Excel format containing all escalated correspondence requests received, the date of receipt and the date of Contractor response.		
A018	Proof of Bankruptcy Monitoring	monthly	12
	Monthly report showing proof of bankruptcy monitoring.		
A019	Loan Boarding	daily	12
	Contractor shall board all loans not later than 2 business days of receipt		
A020	Process payments received	daily	12
	Process all payments received not later than the next business following receipt		
A021	Payment Received Log	monthly	12
	Monthly log of all payments received.		
A022	Bank account reconciliations	monthly	12
	Monthly reconciliations of bank accounts shall be submitted to the GTR not later than the 10th business day of the month.		
A023	Perform Cash Reconciliation	monthly	12
	All Cash Reconciliations will be delivered to GTR not later than 5 business days from request.		
A024	Accounting Reports	monthly	12
	Contractor shall submit Accounting reports not later than the 2nd business day of each month.		
A025	Release Report	monthly	12
	Monthly report of all releases executed		
A026	Customer Service	daily	12
	Contractor shall respond to all inquiries received during operating hours.		
A027	Reports	monthly	12
	Standard Reports - Delivered not later than the 5th business day of the month.		
A028	Ad Hoc Reports	As requested	
	Not later than 3 business days of request.		

## 6.1 Quality Control Plan

The Contractor's QCP shall be delivered to the GTR following the initial submission within ten (10) business days when changes are made thereafter. The QCP shall also provide the Contractor's methodology for resolving problems identified by the Government during reviews conducted in accordance with its Quality Assurance Surveillance Plan (QASP). The QCP shall also provide the Contractor's methodology for establishing an internal feedback system for support personnel, and for resolving problems identified by that feedback system. The QCP shall demonstrate and validate that the services or deliverables to be provided under the contract are completed with a level of quality that meets the minimum performance threshold established in the Government's QASP.

## 6.2 Acceptance Criteria

Acceptance of all deliverables shall be submitted in a draft format agreed upon by the Contractor and the Government. Upon review and acceptance by the Government, the Contractor shall address all Government comments and submit a final draft within five (5) business days of Government notification.

## 7 Performance Requirements Summary

The summary chart below lists the contract's primary requirements, the associated performance standards, the expected target performance, and the methods of surveillance. While some contract requirements may not be listed in the chart below, requirements not appearing on the PRS chart do not negate the Contractor's obligation to perform all requirements as specified in the contract. Additionally, HUD reserves all rights and remedies under the provisions and clauses of the contract when performance of any contract requirement, whether or not listed below, is unacceptable.

HUD will develop a Quality Assurance Surveillance Plan to be used to provide contract oversight. In conjunction with the Contractor's Quality Control Plan and various other methods of assessing performance, the GTR and GTM may perform on-site reviews and/or other types of verification to determine that the specified target performance requirements have been met. Regular review of Contractor performance is critical to the overall success of the contract. On a monthly basis, the GTR will evaluate the quality of the product or services.

### Deliverables:

CDRL	PWS	Deliverable Requirement	Frequency	Delivery Date, Not Later Than (NLT)	Deliver To:
A016	5.1.4	All correspondence received shall be date stamped upon receipt, imaged and attached at loan level in SMART, within 10 business days of receipt.	Ongoing	Ongoing	N/A
A017	5.1.7	Escalated correspondence log report	Monthly (12)	Tenth (10) business day of each month.	GTR/ GTM
N/A	5.1.8	Governmental inquiries log report	Monthly (12)	Tenth (10) business day of each month.	GTM
N/A	5.1.9	COI requests shall be processed within two (2) business days from request.	Ongoing	Two (2) business days from request.	GTM
A018	5.2.2	Proof of bankruptcy monitoring	Monthly (12)	Tenth (10) business day of each month.	GTR/ GTM

A018	5.2.4	Proof of bankruptcy monitoring/POC's filed.	Monthly (12)	Five (5) business days from BK notification.	GTR/ GTM
A019	5.2.6	Loan boarding.	Ongoing	Two (2) business days from receipt.	GTR/ GTM
N/A	5.3	Payoff request processing.	Ongoing	Two (2) business days from receipt of request.	GTM
A020	5.3.1	Collection processing to Treasury.	Ongoing	Next business day following receipt.	GTR/ GTM
A021	5.3.2	Monthly collection log.	Monthly (12)	Tenth (10) business day.	GTR/ GTM
A023	5.3.7	Cash reconciliation.	Monthly (12)	Fifth (5) business day.	GTM
N/A	5.3.7	Variance correction.	Ongoing	Fifteen (15) calendar days from identification.	GTR/ GTM
A022	5.3.8	Bank statement reconciliation.	Monthly (12)	Tenth (10) business day.	GTR/ GTM
A024	5.3.15	Accounting month end reports.	Monthly (12)	Second (2) business day of each month.	GTR/ GTM
A025	5.3.20	Satisfaction of liens.	Ongoing	Fifteen (15) business days of notification that a release is needed.	GTR/ GTM
N/A	5.3.21	Rejected releases/Corrections.	Ongoing	Two (2) business days of notification of rejection.	GTR/ GTM
N/A	5.3.22	Write-offs	Ongoing	Five (5) business days of receipt.	GTR/ GTM
N/A	5.3.23	Subordinations	Ongoing	Five (5) business days of receipt of request.	GTR/ GTM
N/A	5.3.23	Notification of Subordination expiration.	Ongoing	Five (5) business days of expiration	N/A
N/A	5.4.1	Occupancy monitoring.	Ongoing	Thirty (30) calendar days prior to the anniversary of the occupancy certification due date.	GTM
N/A	5.5.2	Asset Sale Goodbye Letters.	Ongoing	Ten (10) days of file transfer	GTR/ GTM
N/A	5.6.4.1	Partial Claim 61-day notice.	Ongoing	Tenth (10) business day of the month	GTR/ GTM
N/A	5.6.4.3	Partial Claim terminations noted in SMART.	Ongoing	Five (5) business days from receipt report.	GTR/ GTM
N/A	5.6.4.3	Partial Claim terminations to FOC.	Ongoing	Fifteen (15) business days of	GTR/ GTM

				receipt.	
A026	5.7.1	Wait time – CSR.	Ongoing	No more than one (1) minute for 90% of all calls received for the quarter.	GTR/ GTM
A026	5.7.1	Returned calls outside of normal business hours.	Ongoing	Twelve (12) noon the next business day.	GTR/ GTM
A026	5.7.3	Supervisor inbox queue.	Ongoing	Every hour through proper ticket resolution.	GTR/ GTM
A026	5.7.8	Telephone message response.	Ongoing	Twelve (12) noon or one (1) business day of the date the call was placed to the Contractor's office.	GTR/ GTM
A026	5.7.8	Written and electronic inquiry response.	Ongoing	Two (2) business days following receipt of inquiry.	GTR/ GTM
A026	5.7.12	Customer servicing report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A026	5.7.13	Customer status report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A026	5.7.14	Timeliness report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A026	5.7.15	Abandoned report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A026	5.7.16	Voicemail report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A026	5.7.17	Telecommunication status report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A026	5.7.18	Information records report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A026	5.7.19	Summary report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A026	5.7.20	Telephonic report.	Monthly (12)	Tenth (10th) business day of each month.	GTR/ GTM
A027	5.8.1	Accomplishments and issues report.	Monthly (12)	Fifth (5) business day of each month.	GTR/ GTM
A027	5.8.2	Information status report also	Monthly	Fifth (5) business	GTR/

		known as Director Report	(12)	day of each month.	GTM
A028	5.8.5	Ad Hoc reports	Ongoing	Five (5) business days from request.	GTR/ GTM
A001	1.14	System Security Administrator	1	Five (5) business days from award date.	GTR/ GTM
A002	1.14	Notification of office site.	1	Ten (10) business days from award date.	GTR/ GTM
A003	1.14	Notification of phase one completion.	1	Sixty (60) calendar days from the effective date of the contract.	GTR/ GTM
A004	1.14	HUD systems clearance requirements	1	Twenty (20) business days from effective date of contract and seven (7) business days from new hire.	GTR/ GTM
A005	1.14	Limited Power of Attorney	Ongoing	Ten (10) business days from effective date of contract and annually thereafter.	GTR/ GTM
A006	1.14	Deposit only account.	1	Fourteen (14) business days from the effective date of the contract.	GTR/ GTM
N/A	1.14	Begin contract performance.	1	One-hundred-five (105) calendar days from the effective date of the contract.	GTR/ GTM
A012	1.14	Complete infrastructure and fully operational.	1	One-hundred-twenty (120) from the effective date of the contract.	GTR/ GTM
A013	1.14	Commence file transfer.	1	Sixty (60) calendar days from the effective date of the contract.	GTR/ GTM
A014	1.14	Complete file transfer.	1	Ninety-five (95) calendar days from the effective date of the contract.	GTR/ GTM
A015	1.14	Welcome letters.	1	One-hundred (100) calendar days from the effective date of the contract.	GTR/ GTM
A007	1.14	Quality Control Plan.	1	Thirty (30) calendar days following the Post Award	GTR/ GTM



				Conference.	
A008	1.14	Management Work Plan	1	Thirty (30) calendar days from the effective date of the contract.	GTR/ GTM
A009	1.14	COOP	1	Thirty (30) calendar days from the effective date of the contract.	GTR/ GTM
A011	1.14	Loan Servicing Guide	1	Sixty (60) calendar days from the effective date of the contract.	GTR/ GTM

**Disincentives** - Listed below are the Task 1 deliverables that warrant a disincentive.

PWS Task	Performance Standard	Surveillance Method	Disincentive
5.3	The Contractor shall process all payoff requests not later than two (2) business days from receipt of request. AQL: 97% of all payoff requests were processed within two (2) business days.	<b>How:</b> Random file sampling <b>Frequency:</b> Monthly <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards	For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.
5.3.1	The Contractor shall process all collections to Treasury or to the Deposit only account not later than the next business day after receipt. AQL: 97% of all payments were processed not later than the next business day after receipt.	<b>What:</b> Payments received <b>How:</b> Compare payments received to OTC report <b>Frequency:</b> Monthly <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards.	For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.

5.3.20	<p>The Contractor shall prepare, execute and submit for recordation all satisfaction of liens (releases) within fifteen (15) business days of notification that a release is needed.</p> <p>AQL: 97% of all releases shall be prepared, executed and submitted for recordation within fifteen (15) business days of notification that a release is needed.</p>	<p><b>What:</b> Payoff/Termination report <b>How:</b> Report review <b>Frequency:</b> Monthly <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards</p>	<p>For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.</p>
5.6.4.3	<p>a) Standard: The Contractor shall update SMART with terminations within five (5) business days of receiving the termination report AQL: 97% of all terminations were noted in the system within five business days of receiving the termination report.</p> <p>b) Standard: Transfer all eligible partial claims to FOC within fifteen (15) business days of receiving the termination report. AQL: 97% of all terminations were correctly</p>	<p><b>What:</b> Partial Claim Termination report <b>How:</b> Random Sampling of Eligible loans for shipment. <b>Frequency:</b> Monthly <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards</p>	<p>For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.</p> <p>Standards A and B will be reviewed individually. If the performance is less than the standard on both elements, the Contractor's invoice shall be charged for two (2) elements.</p>

	transferred to the FOC within fifteen (15) business days of receiving the termination report.		
5.7.1	The average wait time for all callers who choose to speak to a Customer Service Representative shall be no more than one (1) minute for 90% of all calls received for the quarter.	<b>What:</b> Customer Service Reports <b>How:</b> Report review <b>Frequency:</b> Monthly <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards	For each 15-second increment in which the average wait time is longer than the standard, the disincentive will be 1% of the invoice amount for the CLIN titled "Service based on a beginning...." (CLIN 105, etc. that is associated with the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter reviewed. In no event shall it exceed a maximum of 6% per quarter for the invoice.
5.7.9	Only 5 validated complaints about the service provided by the Contractor may be received during the quarter.	<b>What:</b> Complaints <b>How:</b> Issue review <b>Frequency:</b> Ongoing <b>Who:</b> Monitoring Team <b>Standard(s)</b> 5 complaints per quarter	For each validated complaint after the first five complaints, the Contractor shall be assessed a \$200 disincentive for each complaint validated greater than five.
5.7.17	The Contractor shall ensure that the telecommunication system maintain an operational capability 100% of the time, except during periods of approved documented scheduled maintenance.	<b>What:</b> Customer Service Reports <b>How:</b> Report review <b>Frequency:</b> Monthly <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards	The contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractor's telecommunications system was inoperable during the quarter. For example, if the system were down for any reason for 2 hours (120 minutes) during a quarter, the Contractors invoice would be reduced by 1% on the applicable CLIN.

## 8 Related Documents

The Contractor shall abide by all applicable regulations, publications, manuals, policies, and procedures in the performance of this contract.

**Table 1.0 System Security, Privacy, and Authentication Requirements and Internal Control Reviews  
Applicable to Service Organizations Performing Outsourced HUD Financial Management Functions**

Requirement	Reference	Deliverable	Frequency	Responsibility
Internal Controls Assessment	OMB Circular A-123, Management's Responsibility for Internal Control	A-123 Self-Assessment	Annually	Service Organization Contractor Assists with Information, Documents, and Access to Facilities
Financial Management System Assessment	OMB Circular A-127, Financial Management Systems	A-127 Self-Assessment	Annually	Service Organization Contractor Assists with Information, Documents, and Access to Facilities
Security Assessment	Federal Security Standard: NIST Special Publication 800-53 Revision 1, HUD Handbook 2400.25 Information Technology Security Policy	Report on Selected Controls	Annually	Service Organization Contractor
System Security Plan	Federal Security Standard: NIST Special Publication 800-18 Revision 1, HUD Handbook 2400.25 Information Technology Security Policy	System Security Plan	Start Up, with Updates at Least Annually, and Whenever Security Processes and Procedures Change	Service Organization Contractor
System Test and Evaluation (ST&E)	Federal Security Standard: NIST Special Publications 800-37, 800-53, 800-53a HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide.	Independent System Test and Evaluation (ST&E); Security Controls Assessment Report (SCAR);	Start Up, and at Least Every Three Years Thereafter	An Independent Evaluator Hired by the Service Organization Contractor

Remedial Plans to Address Deficiencies Identified in the ST&E	Federal Security Standard: NIST Special Publications 800-37, 800-53, 800-53a HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide.	Plan of Action and Milestones (POA&M)	Quarterly	Service Organization Contractor
Continuity of Operations	Federal Security Standard: NIST Special Publication 800-34, HUD Handbook 2400.25 Information Technology Security Policy	Contingency Plan; Contingency Plan Test	Start Up, with Updates Annually	Service Organization Contractor
Security Self-Assessment	Federal Security Standard: NIST Special Publication 800-26, 800-53, 800-53a HUD Handbook 2400.25 Information Technology Security Policy	Self-Assessment	Annually	Service Organization Contractor
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	Service Organization Contractor Assists with Information and Documentation
Penetration Testing	Federal Security Standard: NIST Special Publications 800-41, 800-42, 800-44, HUD Handbook 2400.25 Information Technology Security Policy	Penetration Test Report	Annually	Service Organization Contractor
IT Security Training services	Federal Security Standard: NIST Special Publication 800 – 16, OMB Memorandums M06-15 and M06-16, HUD Handbook 2400.25 Information Technology Security Policies and the Federal Information Security Management Act (FISMA), Public Law 107-347.	Training	Annually	Service Organization Contractor
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974 HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Records of Release of Information and Procedures for Correction and Data Quality Assurance	Continuous Operation	Service Organization Contractor
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974	Technical and Procedural	Continuous Operation	Service Organization

	HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Protections		Contractor
Privacy Act	Federal Privacy Standard: E-Government Act of 2002, OMB Memorandum 03-22, Privacy Impact Assessment Questionnaire ( See <a href="http://www.hud.gov/offices/cio/privacy/pia/pia.cfm">http://www.hud.gov/offices/cio/privacy/pia/pia.cfm</a>	Privacy Impact Assessment (PIA) Questionnaire	Start Up, with Updates Annually	Service Organization Contractor
E-Authentication	Federal Authentication Standard: OMB Memorandum M-04-4, NIST Special Publication 800-30, HUD Handbook 2400.25 Information Technology Security Policy	Identity verification or authentication for public access	Continuous Operation	Service Organization Contractor
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	Service Organization Contractor Assists with Information and Documentation
Configuration Controls	HUD Configuration Control Standard: HUD Handbook 2400.25 Ver-1, ADP/Information Security Program Handbook	Configuration Management Plan	Start Up, and Whenever Configuration Processes and Procedures Change	Service Organization Contractor

**Table 2.0 System Security, Privacy, and Authentication Requirements and Internal Control Reviews Applicable to HUD Program Offices that Rely Upon Outsourced Financial Management Functions**

Requirement	Reference	Deliverable	Frequency	Responsibility
Internal Controls Assessment	OMB Circular A-123, Management's Responsibility for Internal Control	A-123 Self-Assessment	Annually	HUD Program Office, with Assistance from Service Organization Contractor
Financial Management System Assessment	OMB Circular A-127, Financial Management Systems	A-127 Self-Assessment	Annually	HUD Program Office, with Assistance from Service Organization Contractor
Security	Federal Security Standard: NIST Special Publication 800-60, FIPS 199,	Rating (High, Medium, Low)	At System	HUD Program

Categorization	HUD Handbook 2400.25 Information Technology Security Policy	for Confidentiality, Integrity, and Availability	Start Up	Office
Business Impact Assessment	Federal Security Standard: NIST Special Publication 800-34, HUD Handbook 2400.25 Information Technology Security Policy	Business Impact Assessment	Start Up, with Updates Annually	HUD Program Officer
Risk Assessment	Federal Security Standard: NIST Special Publication 800-30, HUD Handbook 2400.25 Information Technology Security Policy	Risk Assessment and Risk Management Plan	Start Up, with Updates Annually	HUD Program Office
Certification and Accreditation (C&A)	Federal Security Standards: NIST Special Publications 800-37, 800-53, 800-53a  HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide	Memorandum by the Assistant Secretary Accepting the System for Operation	Start Up, and at Least Every Three Years Thereafter	HUD Program Office
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	HUD Program Office, with Assistance from Service Organization Contractor
IT Security Training services	Federal Security Standard: NIST Special Publication 800 – 16, OMB Memorandums M06-15 and M06-16, HUD Handbook 2400.25 Information Technology Security Policies and the Federal Information Security Management Act (FISMA), Public Law 107-347.	Training	Annually	HUD Program Office
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974  HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Notice of System of Record	Start Up, and Whenever the Use of Personally Identifiable Information Changes	HUD Program Office
E-Authentication	Federal Authentication Standard: OMB Memorandum M-04-4, NIST Special Publication 800-30, HUD	E-Authentication Risk	Start Up, and Annually	HUD Program Office

	Handbook 2400.25 Information Technology Security Policy	Assessment Report		
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## **SECTION D - Packaging and Marking**

### **1. PAYMENT OF POSTAGE AND SHIPPING COSTS**

All postage and shipping costs related to the submission of the information (including reports and forms) required by this contract shall be paid for by the Contractor.

### **2. MARKING**

All information submitted to the Contracting Officer, GTR, and GTM shall clearly indicate the contract number for which the information is being submitted.

### **3. REPORT FORMAT**

All reports shall be delivered to the GTR in .PDF format.

## **SECTION E - Inspection and Acceptance**

### **2452.246-70 INSPECTION AND ACCEPTANCE. (FEB 2006)**

Inspection and acceptance of all work required under this contract shall be performed by the Government Technical Representative (GTR) or other individual as designated by the Contracting Officer or the GTR.

**SECTION F - Deliveries or Performance**

**52.242-15 STOP-WORK ORDER. (AUG 1989)**

**52.242-17 GOVERNMENT DELAY OF WORK. (APR 1984)**

## SECTION G - Contract Administration Data

### **HUDAR 2452.232-70 PAYMENT SCHEDULE AND INVOICE SUBMISSION (FIXED-PRICE). (DEC 2012) Alternate II**

(a) *Payment Schedule.* Payment of the contract price (see Section B of the contract) will be made upon completion and acceptance of all work unless a partial payment schedule is included below:

**CLINS 0003, 0007, 0011, 00015, 0019** – The contractor will submit an invoice for the referenced CLINS not later than the 5<sup>th</sup> business day of each month.

(b) *Submission of Invoices.* (1) The Contractor shall submit invoices as follows: contractors will be required to electronically submit invoices, delivery documentation and track invoices through Treasury's Invoice Processing Platform. To constitute a proper invoice, the invoice must include all items required by the FAR clause at 52.232-25, "Prompt Payment."

(2) To assist the government in making timely payments, the contractor is also requested to include on each invoice the appropriation number shown on the contract award document (e.g., block 14 of the Standard Form (SF) 26, block 21 of the SF-33, or block 25 of the SF-1449). The contractor is also requested to clearly indicate on the mailing envelope that an invoice is enclosed.

(c) *Contractor remittance information.* The contractor shall provide the payment office with all information required by other payment clauses or other supplemental information (e.g., contracts for commercial services) contained in this contract.

(d) *Final invoice payment.* The final invoice will not be paid prior to certification by the Contracting Officer that all work has been completed and accepted.

## **SECTION H - Special Contract Requirements**

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## Section I

### FAR Clauses Incorporated by Reference:

52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (Apr 2014)  
52.204-4 Printed or Copied Double-Sided on Postconsumer Fiber Content Paper. (May 2011)  
52.204-13 System for Award Management Maintenance. (Jul 2013)  
52.209-10 Prohibition on Contracting with Inverted Domestic Corporations. (Nov 2015)  
52.212-4 Contract Terms and Conditions—Commercial Items. (May 2015)  
52.227-14 Rights in Data—General. (May 2014)  
52.227-15 Representation of Limited Rights Data and Restricted Computer Software. (Dec 2007)  
52.232-40 Providing Accelerated Payments to Small Business Subcontractors. (Dec 2013)

### FAR Clauses Full Text:

#### 52.212-5 Contract Terms and Conditions Required To Implement Statutes or Executive Orders—Commercial Items. (JAN 2017)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) [52.209-10](#), Prohibition on Contracting with Inverted Domestic Corporations (Nov 2015).

(2) [52.233-3](#), Protest After Award (AUG 1996) ([31 U.S.C. 3553](#)).

(3) [52.233-4](#), Applicable Law for Breach of Contract Claim (OCT 2004)(Public Laws 108-77 and 108-78 ([19 U.S.C. 3805 note](#))).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[Contracting Officer check as appropriate.]

\_\_\_ (1) [52.203-6](#), Restrictions on Subcontractor Sales to the Government (Sept 2006), with Alternate I (Oct 1995) ([41 U.S.C. 4704](#) and [10 U.S.C. 2402](#)).

\_\_\_ (2) [52.203-13](#), Contractor Code of Business Ethics and Conduct (Oct 2015) ([41 U.S.C. 3509](#))).

\_\_\_ (3) [52.203-15](#), Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (June 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

X (4) [52.204-10](#), Reporting Executive Compensation and First-Tier Subcontract Awards (Oct 2016) (Pub. L. 109-282) ([31 U.S.C. 6101 note](#)).

\_\_\_ (5) [Reserved].

X (6) [52.204-14](#), Service Contract Reporting Requirements (Oct 2016) (Pub. L. 111-117, section 743 of Div. C).

\_\_\_ (7) [52.204-15](#), Service Contract Reporting Requirements for Indefinite-Delivery Contracts (Oct 2016) (Pub. L. 111-117, section 743 of Div. C).

X (8) [52.209-6](#), Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (Oct 2015) (31 U.S.C. 6101 note).

X (9) [52.209-9](#), Updates of Publicly Available Information Regarding Responsibility Matters (Jul 2013) (41 U.S.C. 2313).

\_\_\_ (10) [Reserved].

\_\_\_ (11)(i) [52.219-3](#), Notice of HUBZone Set-Aside or Sole-Source Award (Nov 2011) ([15 U.S.C. 657a](#)).

\_\_\_ (ii) Alternate I (Nov 2011) of [52.219-3](#).

\_\_\_ (12)(i) [52.219-4](#), Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Oct 2014) (if the offeror elects to waive the preference, it shall so indicate in its offer) ([15 U.S.C. 657a](#)).

\_\_\_ (ii) Alternate I (Jan 2011) of [52.219-4](#).

\_\_\_ (13) [Reserved]

X (14)(i) [52.219-6](#), Notice of Total Small Business Set-Aside (Nov 2011) ([15 U.S.C. 644](#)).

\_\_\_ (ii) Alternate I (Nov 2011).

\_\_\_ (iii) Alternate II (Nov 2011).

\_\_\_ (15)(i) [52.219-7](#), Notice of Partial Small Business Set-Aside (June 2003) ([15 U.S.C. 644](#)).

\_\_\_ (ii) Alternate I (Oct 1995) of [52.219-7](#).

\_\_\_ (iii) Alternate II (Mar 2004) of [52.219-7](#).

X (16) [52.219-8](#), Utilization of Small Business Concerns (Nov 2016) ([15 U.S.C. 637\(d\)\(2\)](#) and (3)).

\_\_\_ (17)(i) [52.219-9](#), Small Business Subcontracting Plan (Nov 2016) ([15 U.S.C. 637\(d\)\(4\)](#)).

\_\_\_ (ii) Alternate I (Nov 2016) of [52.219-9](#).

\_\_\_ (iii) Alternate II (Nov 2016) of [52.219-9](#).

\_\_\_ (iv) Alternate III (Nov 2016) of [52.219-9](#).

\_\_\_ (v) Alternate IV (Nov 2016) of [52.219-9](#).

\_\_\_ (18) [52.219-13](#), Notice of Set-Aside of Orders (Nov 2011) ([15 U.S.C. 644\(r\)](#)).

\_\_\_ (19) [52.219-14](#), Limitations on Subcontracting (Nov 2011) ([15 U.S.C. 637\(a\)\(14\)](#)).

\_\_\_ (20) [52.219-16](#), Liquidated Damages-Subcontracting Plan (Jan 1999) ([15 U.S.C. 637\(d\)\(4\)\(F\)\(i\)](#)).

\_\_\_ (21) [52.219-27](#), Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov 2011) ([15 U.S.C. 657 f](#)).

X (22) [52.219-28](#), Post Award Small Business Program Rerepresentation (Jul 2013) ([15 U.S.C. 632\(a\)\(2\)](#)).

\_\_\_ (23) [52.219-29](#), Notice of Set-Aside for, or Sole Source Award to, Economically Disadvantaged Women-Owned Small Business Concerns (Dec 2015) ([15 U.S.C. 637\(m\)](#)).

\_\_\_ (24) [52.219-30](#), Notice of Set-Aside for, or Sole Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Dec 2015) ([15 U.S.C. 637\(m\)](#)).

X (25) [52.222-3](#), Convict Labor (June 2003) (E.O. 11755).

X (26) [52.222-19](#), Child Labor—Cooperation with Authorities and Remedies (Oct 2016) (E.O. 13126).

X (27) [52.222-21](#), Prohibition of Segregated Facilities (Apr 2015).

X (28) [52.222-26](#), Equal Opportunity (Sept 2016) (E.O. 11246).

X (29) [52.222-35](#), Equal Opportunity for Veterans (Oct 2015) ([38 U.S.C. 4212](#)).

X (30) [52.222-36](#), Equal Opportunity for Workers with Disabilities (Jul 2014) ([29 U.S.C. 793](#)).

X (31) [52.222-37](#), Employment Reports on Veterans (FEB 2016) ([38 U.S.C. 4212](#)).

\_\_\_ (32) [52.222-40](#), Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496).

X (33)(i) [52.222-50](#), Combating Trafficking in Persons (Mar 2015) ([22 U.S.C. chapter 78](#) and E.O. 13627).

\_\_\_ (ii) Alternate I (Mar 2015) of [52.222-50](#) ([22 U.S.C. chapter 78](#) and E.O. 13627).

X (34) [52.222-54](#), Employment Eligibility Verification (Oct 2015). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in [22.1803](#).)

\_\_\_ (35) [52.222-59](#), Compliance with Labor Laws (Executive Order 13673) (Oct 2016). (Applies at \$50 million for solicitations and resultant contracts issued from October 25, 2016 through April 24, 2017; applies at \$500,000 for solicitations and resultant contracts issued after April 24, 2017).

**Note to paragraph (b)(35):** By a court order issued on October 24, 2016, 52.222-59 is enjoined indefinitely as of the date of the order. The enjoined paragraph will become effective immediately if the court terminates the injunction. At that time, GSA, DoD and NASA will publish a document in the Federal Register advising the public of the termination of the injunction.

X (36) [52.222-60](#), Paycheck Transparency (Executive Order 13673) (OCT 2016).



— (37)(i) [52.223-9](#), Estimate of Percentage of Recovered Material Content for EPA-Designated Items (May 2008) ([42 U.S.C. 6962\(c\)\(3\)\(A\)\(ii\)](#)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

— (ii) Alternate I (May 2008) of [52.223-9](#) ([42 U.S.C. 6962\(i\)\(2\)\(C\)](#)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

— (38) [52.223-11](#), Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (JUN 2016) (E.O. 13693).

— (39) [52.223-12](#), Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (JUN 2016) (E.O. 13693).

— (40)(i) [52.223-13](#), Acquisition of EPEAT®-Registered Imaging Equipment (JUN 2014) (E.O.s 13423 and 13514).

— (ii) Alternate I (Oct 2015) of [52.223-13](#).

— (41)(i) [52.223-14](#), Acquisition of EPEAT®-Registered Televisions (JUN 2014) (E.O.s 13423 and 13514).

— (ii) Alternate I (Jun 2014) of [52.223-14](#).

— (42) [52.223-15](#), Energy Efficiency in Energy-Consuming Products (DEC 2007) ([42 U.S.C. 8259b](#)).

— (43)(i) [52.223-16](#), Acquisition of EPEAT®-Registered Personal Computer Products (OCT 2015) (E.O.s 13423 and 13514).

— (ii) Alternate I (Jun 2014) of [52.223-16](#).

X (44) [52.223-18](#), Encouraging Contractor Policies to Ban Text Messaging While Driving (AUG 2011) (E.O. 13513).

— (45) [52.223-20](#), Aerosols (JUN 2016) (E.O. 13693).

— (46) [52.223-21](#), Foams (JUN 2016) (E.O. 13693).

— (47) [52.225-1](#), Buy American—Supplies (May 2014) ([41 U.S.C. chapter 83](#)).

— (48)(i) [52.225-3](#), Buy American—Free Trade Agreements—Israeli Trade Act (May 2014) ([41 U.S.C. chapter 83](#), [19 U.S.C. 3301](#) note, [19 U.S.C. 2112](#) note, [19 U.S.C. 3805](#) note, [19 U.S.C. 4001](#) note, Pub. L. 103-182, 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, 110-138, 112-41, 112-42, and 112-43).

— (ii) Alternate I (May 2014) of [52.225-3](#).

— (iii) Alternate II (May 2014) of [52.225-3](#).

— (iv) Alternate III (May 2014) of [52.225-3](#).

— (49) [52.225-5](#), Trade Agreements (OCT 2016) ([19 U.S.C. 2501](#), et seq., [19 U.S.C. 3301](#) note).

X (50) [52.225-13](#), Restrictions on Certain Foreign Purchases (June 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

— (51) [52.225-26](#), Contractors Performing Private Security Functions Outside the United States (Oct 2016) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; [10 U.S.C. 2302 Note](#)).

— (52) [52.226-4](#), Notice of Disaster or Emergency Area Set-Aside (Nov 2007) ([42 U.S.C. 5150](#)).

— (53) [52.226-5](#), Restrictions on Subcontracting Outside Disaster or Emergency Area (Nov 2007) ([42 U.S.C. 5150](#)).

— (54) [52.232-29](#), Terms for Financing of Purchases of Commercial Items (Feb 2002) ([41 U.S.C. 4505](#), [10 U.S.C. 2307\(f\)](#)).

— (55) [52.232-30](#), Installment Payments for Commercial Items (Oct 1995) ([41 U.S.C. 4505](#), [10 U.S.C. 2307\(f\)](#)).

X (56) [52.232-33](#), Payment by Electronic Funds Transfer—System for Award Management (Jul 2013) ([31 U.S.C. 3332](#)).

— (57) [52.232-34](#), Payment by Electronic Funds Transfer—Other than System for Award Management (Jul 2013) ([31 U.S.C. 3332](#)).

— (58) [52.232-36](#), Payment by Third Party (May 2014) ([31 U.S.C. 3332](#)).

— (59) [52.239-1](#), Privacy or Security Safeguards (Aug 1996) ([5 U.S.C. 552a](#)).

— (60)(i) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) ([46 U.S.C. Appx. 1241\(b\)](#) and [10 U.S.C. 2631](#)).

— (ii) Alternate I (Apr 2003) of [52.247-64](#).

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[Contracting Officer check as appropriate.]

X (1) [52.222-17](#), Nondisplacement of Qualified Workers (May 2014)(E.O. 13495).

X (2) [52.222-41](#), Service Contract Labor Standards (May 2014) ([41 U.S.C. chapter 67](#)).

X (3) [52.222-42](#), Statement of Equivalent Rates for Federal Hires (May 2014) ([29 U.S.C. 206](#) and [41 U.S.C. chapter 67](#)).

— (4) [52.222-43](#), Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (Multiple Year and Option Contracts) (May 2014) ([29 U.S.C. 206](#) and [41 U.S.C. chapter 67](#)).

— (5) [52.222-44](#), Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (May 2014) ([29 U.S.C. 206](#) and [41 U.S.C. chapter 67](#)).

— (6) [52.222-51](#), Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements (May 2014) ([41 U.S.C. chapter 67](#)).

— (7) [52.222-53](#), Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements (May 2014) ([41 U.S.C. chapter 67](#)).

X (8) [52.222-55](#), Minimum Wages Under Executive Order 13658 (Dec 2015).

X (9) [52.222-62](#), Paid Sick Leave Under Executive Order 13706 (JAN 2017) (E.O. 13706).

— (10) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations (May 2014) ([42 U.S.C. 1792](#)).

— (11) [52.237-11](#), Accepting and Dispensing of \$1 Coin (Sept 2008) ([31 U.S.C. 5112\(p\)\(1\)](#)).

(d) Comptroller General Examination of Record. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at [52.215-2](#), Audit and Records–Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR [subpart 4.7](#), Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e)(1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

(i) [52.203-13](#), Contractor Code of Business Ethics and Conduct (Oct 2015) ([41 U.S.C. 3509](#)).

(ii) [52.219-8](#), Utilization of Small Business Concerns (Nov 2016) ([15 U.S.C. 637\(d\)\(2\)](#) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$700,000 (\$1.5 million for

construction of any public facility), the subcontractor must include [52.219-8](#) in lower tier subcontracts that offer subcontracting opportunities.

(iii) [52.222-17](#), Nondisplacement of Qualified Workers (May 2014) (E.O. 13495). Flow down required in accordance with paragraph (1) of FAR clause [52.222-17](#).

(iv) [52.222-21](#), Prohibition of Segregated Facilities (Apr 2015)

(v) [52.222-26](#), Equal Opportunity (Sept 2016) (E.O. 11246).

(vi) [52.222-35](#), Equal Opportunity for Veterans (Oct 2015) ([38 U.S.C. 4212](#)).

(vii) [52.222-36](#), Equal Opportunity for Workers with Disabilities (Jul 2014) ([29 U.S.C. 793](#)).

(viii) [52.222-37](#), Employment Reports on Veterans (Feb 2016) ([38 U.S.C. 4212](#))

(ix) [52.222-40](#), Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause [52.222-40](#).

(x) [52.222-41](#), Service Contract Labor Standards (May 2014) ([41 U.S.C. chapter 67](#)).

(xi) [52.222-50](#), Combating Trafficking in Persons (Mar 2015) ([22 U.S.C. chapter 78](#) and E.O 13627). Alternate I (Mar 2015) of [52.222-50](#) ([22 U.S.C. chapter 78 and E.O 13627](#)).

(xii) [52.222-51](#), Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (May 2014) ([41 U.S.C. chapter 67](#)).

(xiii) [52.222-53](#), Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements (May 2014) ([41 U.S.C. chapter 67](#)).

(xiv) [52.222-54](#), Employment Eligibility Verification (Oct 2015) (E.O. 12989).

(xv) [52.222-55](#), Minimum Wages Under Executive Order 13658 (Dec 2015).

(xvi) [52.222-59](#), Compliance with Labor Laws (Executive Order 13673) (Oct 2016) (Applies at \$50 million for solicitations and resultant contracts issued from October 25, 2016 through April 24, 2017; applies at \$500,000 for solicitations and resultant contracts issued after April 24, 2017).

**Note to paragraph (e)(1)(xvi):** By a court order issued on October 24, 2016, 52.222-59 is enjoined indefinitely as of the date of the order. The enjoined paragraph will become effective immediately if the court terminates the injunction. At that time, GSA, DoD and NASA will publish a document in the Federal Register advising the public of the termination of the injunction.

(xvii) [52.222-60](#), Paycheck Transparency (Executive Order 13673) (OCT 2016)).

(xviii) [52.222-62](#), Paid Sick Leave Under Executive Order 13706 (JAN 2017) (E.O. 13706).

(xix) [52.225-26](#), Contractors Performing Private Security Functions Outside the United States (Oct 2016) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; [10 U.S.C. 2302 Note](#)).

(xx) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations (May 2014) ([42 U.S.C. 1792](#)). Flow down required in accordance with paragraph (e) of FAR clause [52.226-6](#).

(xxi) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) ([46 U.S.C. Appx. 1241\(b\)](#) and [10 U.S.C. 2631](#)). Flow down required in accordance with paragraph (d) of FAR clause [52.247-64](#).

(2) While not required, the Contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

#### **52.217-8 -- Option to Extend Services (Nov 1999)**

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor no later than 10 days prior to the expiration of the contract.

#### **52.217-9 -- Option to Extend the Term of the Contract (Mar 2000)**

(a) The Government may extend the term of this contract by written notice to the Contractor no later than 30 days prior to the expiration of the contract; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed the period of time set in the Schedule except that extensions pursuant to FAR 52.217-8 permit the duration to extend up to 6 months beyond the stated limit.

#### **52.219-18 Notification of Competition Limited to Eligible 8(a) Concerns. (June 2003)**

(a) Offers are solicited only from small business concerns expressly certified by the Small Business Administration (SBA) for participation in the SBA's 8(a) Program and which meet the following criteria at the

time of submission of offer—

(1) The Offeror is in conformance with the 8(a) support limitation set forth in its approved business plan; and

(2) The Offeror is in conformance with the Business Activity Targets set forth in its approved business plan or any remedial action directed by the SBA.

(b) By submission of its offer, the Offeror represents that it meets all of the criteria set forth in paragraph (a) of this clause.

(c) Any award resulting from this solicitation will be made to the Small Business Administration, which will subcontract performance to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation.

(d)(1) Agreement. A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified acquisition procedures and the total amount of this contract does not exceed \$25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.

(2) The \_\_\_\_\_ [insert name of SBA's contractor] will notify the \_\_\_\_\_ [insert name of contracting agency] Contracting Officer in writing immediately upon entering an agreement (either oral or written) to transfer all or part of its stock or other ownership interest to any other party.

#### **52.252-2 Clauses Incorporated by Reference. (Feb 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <https://www.acquisition.gov/>

#### **HUDAR Clauses**

#### **2452.203-70 Prohibition Against the Use of Federal Employees. (FEB 2006)**

In accordance with Federal Acquisition Regulation 3.601, contracts are not to be awarded to government employees or a business concern or other organization owned or substantially owned or controlled by one or more government employees. For the purposes of this contract, this prohibition against the use of government employees includes any work performed by the contractor or any of its employees, subcontractors, or consultants.

#### **2452.204-70 Preservation of, and Access to, Contract Records (Tangible and Electronically Stored Information (ESI) Formats). (DEC 2012)**

(a) For the purposes of this clause--  
*Contract records* means information created or maintained by the contractor in the performance of the contract. Contract records include documents required to be retained in accordance with FAR 4.703 and other information

generated or maintained by the contractor that is pertinent to the contract and its performance including, but not limited to: email and attachments, formal and informal correspondence, calendars, notes, reports, memoranda, spreadsheets, tables, telephone logs, forms, survey, books, papers, photographs, drawings, machine-readable materials, and data. Contract records may be maintained as electronically stored information or as tangible materials. Contract records may exist in either final or any interim version (e.g., drafts that have been circulated for official purposes and contain unique information, such as notes, edits, comments, or highlighting). Contract records may be located or stored on the contractor's premises or at off-site locations.

*Electronically stored information (ESI)* means any contract records that are stored on, or generated by, an electronic device, or contained in electronically accessible media, either owned by the contractor, subcontractor(s), or employees of the contractor or subcontractor(s) regardless of the physical location of the device or media (e.g., offsite servers or data storage).

*ESI devices and media* include, but are not be limited to:

- (1) Computers (mainframe, desktop, and laptop);
- (2) Network servers, including shared and personal drives;
- (3) Individual email accounts of the contractor's principals, officers, and employees, including all folders contained in each email account such as "inbox," "outbox," "drafts," "sent," "trash," "archive," and any other folders;
- (4) Personal data assistants (PDAs);
- (5) External data storage devices including portable devices (e.g., flash drive); and
- (6) Data storage media (magnetic, e.g., tape; optical, e.g., compact disc, microfilm, etc.).

*Tangible materials* means contract records that exist in a physical (i.e., non-electronic) state.

(b) If during the period of performance of this contract, HUD becomes, or anticipates becoming, a party to any litigation concerning matters related to records maintained or generated by the Contractor in the performance of this contract, the Contracting Officer may provide the contractor with a written (either hardcopy or email) preservation hold notice and certification of compliance with the preservation hold notice. Upon receipt of the hold notice, the Contractor shall immediately take the following actions--

- (1) Discontinue any alteration, overwriting, deletion, or destruction of all tangible materials and ESI.
- (2) Preserve tangible materials and ESI. The contractor shall preserve ESI in its "native" form to preserve metadata (i.e., creation and modification history of a document).
- (3) Identify all individuals who possess or may possess tangible materials and ESI related to this matter, including contractor employees, subcontractors, and subcontractor employees. The contractor shall provide the names of all such individuals via email to the HUD official indicated in the notice.
- (4) Document in writing the contractor's efforts to preserve tangible materials and ESI. It may be useful to maintain a log documenting preservation efforts.



(5) Complete the certification of compliance with the preservation hold notice upon receipt and return it to the identified contact person; and  
(6) Upon the request of the Contracting Officer, provide the Contracting Officer or other HUD official designated by the Contracting Officer with any of the information described in this clause. The contractor shall immediately confirm receipt of such request. The contractor shall describe in detail any records that the contractor knows or believes to be unavailable and provide a detailed explanation of why they are unavailable, and if known, their location.

(c)(1) If any request for records pursuant to paragraph (b)(6) of this clause causes an increase in the estimated cost or price or the time required for performance of any part of the work under this contract, or otherwise affects any other terms and conditions of this contract, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

(2) The Contractor must assert its right to an adjustment under this clause within \_\_\_\_ [Contracting Officer insert period; 30 days if no other period inserted] from the date of receipt of the Contracting Officer's request made pursuant to paragraph (b)(6) of this clause. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a request submitted before final payment of the contract.

(3) Failure to agree to any adjustment shall be a dispute under the "Disputes" clause of this contract. However, nothing in this clause shall excuse the contractor from providing the records requested by the Contracting Officer.

(e) The Contractor shall include this clause in all subcontracts.

**2452.209-72 Organizational Conflicts of Interest. (APR 1984)**

(a) The Contractor warrants that to the best of its knowledge and belief, and except as otherwise disclosed, he or she does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a Government contract and a Contractor's organizational, financial, contractual or other interests are such that:

(1) Award of the contract may result in an unfair competitive advantage; or  
(2) The Contractor's objectivity in performing the contract work is or might be otherwise may be impaired.

(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The Government may, however, terminate the contract for the convenience of the Government if it would be in the best interest of the Government.

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the Government may terminate the contract for default.

(d) The provisions of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the



service provided by the prime contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

**2452.222-70 Accessibility of meetings, conferences, and seminars to persons with disabilities. (FEB 2006)**

The contractor shall assure that any meeting, conference, or seminar held pursuant to the contract meets all applicable standards for accessibility to persons with disabilities pursuant to Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and any implementing regulations of the Department. The contractor shall be responsible for ascertaining the specific accessibility needs (e.g., sign language interpreters) for each meeting, conference, or seminar in light of the known or anticipated attendees.

**2452.237-70 Key Personnel. (FEB 2006)**

(a) Definition. "Personnel" means employees of the contractor, or any subcontractor(s), affiliates, joint venture partners, or team members, and consultants engaged by any of those entities.

(b) The personnel specified below are considered to be essential to the work being performed under this contract. Prior to diverting any of the specified individuals to other projects, the contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the contractor without the written consent of the Contracting Officer. Key personnel shall perform as follows:

**To be completed by Contrator**

Key Personnel	Position	Hours Committed

**2452.237-73 Conduct of Work and Technical Guidance. (MAR 2016)**

(a) The Contracting Officer will provide the contractor with the name and contact information of the Government Technical Representative (GTR) assigned to this contract. The GTR will serve as the contractor's liaison with the Contracting Officer with regard to the conduct of work. The Contracting Officer will notify the contractor in writing of any change to the current GTR's status or the designation of a successor GTR.

(b) The GTR for liaison with the contractor as to the conduct of work is [to be inserted at time of award] or a successor designated by the Contracting Officer. The Contracting Officer will notify the contractor in writing of any change to the current GTR's status or the designation of a successor GTR.

(c) The GTR will provide guidance to the contractor on the technical performance of the contract. Such guidance shall not be of a nature which:

(1) Causes the contractor to perform work outside the statement of work or specifications of the contract;

(2) Constitutes a change as defined in FAR 52.243 1;

(3) Causes an increase or decrease in the cost of the contract;

(4) Alters the period of performance or delivery dates; or

(5) Changes any of the other express terms or conditions of the contract.

(d) The GTR will issue technical guidance in writing or, if issued orally, he/she will confirm such direction in writing within five calendar days after oral issuance. The GTR may issue such guidance via telephone, facsimile (fax), or electronic mail.

(e) Other specific limitations [to be inserted by Contracting Officer]:

(f) The contractor shall promptly notify the Contracting Officer whenever the contractor believes that guidance provided by any government personnel, whether or not specifically provided pursuant to this clause, is of a nature described in paragraph (b) above.

**2452.237-79 Post award conference Alternate I (MAR 2016)**

The conference will be conducted via telephone. The Contracting Officer or designee will provide the contractor with the date, time and contact information for the conference.

**2452.239-70 Access to HUD Systems:(MAR 2016) (Deviation)**

(a) Definitions: As used in this clause— ``Access'' means the ability to obtain, view, read, modify, delete, and/or otherwise make use of information resources.

``Application'' means the use of information resources (information and information technology) to satisfy a specific set of user requirements (see OMB Circular A-130).

``Contractor employee'' means an employee of the prime contractor or of any

subcontractor, affiliate, partner, joint venture, or team members with which the contractor is associated. It also includes consultants engaged by any of those entities.

``Mission-critical system`` means an information technology or telecommunications system used or operated by HUD or by a HUD contractor, or organization on behalf of HUD, that processes any information, the loss, misuse, disclosure, or unauthorized access to, or modification of which would have a debilitating impact on the mission of the agency.

``NACI`` means a National Agency Check with Inquiries, the minimum background investigation prescribed by OPM.

``PIV Card`` means the Personal Identity Verification (PIV) Card, the Federal Government-issued identification credential (i.e., identification badge).

``Sensitive information`` means any information of which the loss, misuse, or unauthorized access to, or modification of, could adversely affect the national interest, the conduct of federal programs, or the privacy to which individuals are entitled under section 552a of title 5, United States Code (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense or foreign policy.

``System`` means an interconnected set of information resources under the same direct management control, which shares common functionality. A system normally includes hardware, software, information, data, applications, communications, and people (see OMB Circular A-130). System includes any system owned by HUD or owned and operated on HUD's behalf by another party.

(b) General. (1) The performance of this contract requires contractor employees to have access to a HUD system or systems. All such employees who do not already possess a current PIV Card acceptable to HUD shall be required to provide personal background information, undergo a background investigation (NACI or other OPM-required or approved investigation), including an FBI National Criminal History Fingerprint Check, and obtain a PIV Card prior to being permitted access to any such system in performance of this contract. HUD may accept a PIV Card issued by another Federal Government agency but shall not be required to do so. No contractor employee will be permitted access to any HUD system without a PIV Card.

(2) All contractor employees who require access to mission-critical systems or sensitive information contained within a HUD system or application(s) are required to have a more extensive background investigation. The investigation shall be commensurate with the risk and security controls involved in managing, using, or operating the system or applications(s).

(c) Citizenship-related requirements. Each affected contractor employee as described in paragraph (b) of this clause shall be:

(1) A United States (U.S.) citizen; or,

(2) A national of the United States (see 8 U.S.C. 1408); or,

(3) An alien lawfully admitted into, and lawfully permitted to be employed in the United States, provided that for any such individual, the Government is able to obtain sufficient background information to complete the investigation as required by this clause. Failure on the part of the contractor to provide sufficient information to perform a required investigation or the inability of the Government to verify information provided for affected contractor employees will result in denial of their access.

(d) Background investigation process. (1) The Government Technical Representative (GTR) shall notify the contractor of those contractor employee positions requiring background investigations.

(i) For each contractor employee requiring access to HUD information systems, the contractor shall submit the following properly completed forms: Standard Form (SF) 85, ``Questionnaire for Non-Sensitive Positions,`` FD 258 (Fingerprint Chart), and a partial Optional Form (OF) 306 (Items 1, 2, 6, 8-13, 16, and 17).

(ii) For each contractor employee requiring access to mission-critical systems and/or sensitive information contained within a HUD system and/or application(s), the contractor shall submit the following properly completed forms: SF-85P, ``Questionnaire for Public Trust Positions;`` FD 258; and a Fair Credit Reporting Act form (authorization for the credit-check portion of the investigation). Contractor employees shall not complete the Medical Release behind the SF-85P.

(iii) The SF-85, 85P, and OF-306 are available from OPM's Web site, <http://www.opm.gov>. The GTR will provide all other forms that are not obtainable via the Internet.

(2) The contractor shall deliver the forms and information required in paragraph (d)(1) of this clause to the GTR.

(3) Affected contractor employees who have had a federal background investigation without a subsequent break in federal employment or federal contract service exceeding 2 years may be exempt from the investigation requirements of this clause subject to verification of the previous investigation. For each such employee, the contractor shall submit the following information in lieu of the forms and information listed in paragraph (d)(1) of this clause: employee's full name, Social Security

number, and place and date of birth.

(4) The investigation process shall consist of a range of personal background inquiries and contacts (written and personal) and verification of the information provided on the investigative forms described in paragraph (d)(1) of this clause.

(5) Upon completion of the investigation process, the GTR will notify the contractor if any contractor employee is determined to be unsuitable to have access to the system(s), application(s), or information. Such an employee may not be given access to those resources. If any such employee has already been given access pending the results of the background investigation, the contractor shall ensure that the employee's access is revoked immediately upon receipt of the GTR's notification.

(6) Failure of the GTR to notify the contractor (see subparagraph (d)(1)) of any employee who should be subject to the requirements of this clause and is known, or should reasonably be known, by the contractor to be subject to the requirements of this clause, shall not excuse the contractor from making such employee(s) known to the GTR. Any such employee who is identified and is working under the contract, without having had the appropriate background investigation or furnished the required forms for the investigation, shall cease to perform such work immediately and shall not be given access to the system(s)/application(s) described in paragraph (b) of this clause until the contractor has provided the investigative forms required in paragraph (d)(1) of this clause for the employee to the GTR.

(7) The contractor shall notify the GTR in writing whenever a contractor employee for whom a background investigation package was required and submitted to HUD, or for whom a background investigation was completed, terminates employment with the contractor or otherwise is no longer performing work under this contract that requires access to the system(s), application(s), or information. The contractor shall provide a copy of the written notice to the Contracting Officer.

(e) PIV Cards. (1) HUD will issue a PIV Card to each contractor employee who is to be given access to HUD systems and does not already possess a PIV Card acceptable to HUD (see paragraph (b) of this clause). HUD will not issue the PIV Card until the contractor employee has successfully cleared an FBI National Criminal History Fingerprint Check, and HUD has initiated the background investigation for the contractor employee. Initiation is defined to mean that all background information required in paragraph (d)(1) of this clause has been delivered to HUD. The employee may not be given access prior to those two events. HUD may issue a PIV Card and grant access pending the completion of the background investigation. HUD will revoke the PIV Card and the employee's access if the background investigation process (including adjudication of investigation results) for

the employee has not been completed within 6 months after the issuance of the PIV Card.

(2) PIV Cards shall identify individuals as contractor employees. Contractor employees shall display their PIV Cards on their persons at all times while working in a HUD facility, and shall present cards for inspection upon request by HUD officials or HUD security personnel.

(3) The contractor shall be responsible for all PIV Cards issued to the contractor's employees and shall immediately notify the GTR if any PIV Card(s) cannot be accounted for. The contractor shall promptly return PIV Cards to HUD as required by the FAR clause at 52.204-9. The contractor shall notify the GTR immediately whenever any contractor employee no longer has a need for his/her HUD-issued PIV Card (e.g., the employee terminates employment with the contractor, the employee's duties no longer require access to HUD systems). The GTR will instruct the contractor as to how to return the PIV Card. Upon expiration of this contract, the GTR will instruct the contractor as to how to return all HUD-issued PIV Cards not previously returned. Unless otherwise directed by the Contracting Officer, the contractor shall not return PIV Cards to any person other than the GTR.

(f) Control of access. HUD shall have and exercise full and complete control over granting, denying, withholding, and terminating access of contractor employees to HUD systems. The GTR will notify the contractor immediately when HUD has determined that an employee is unsuitable or unfit to be permitted access to a HUD system. The contractor shall immediately notify such employee that he/she no longer has access to any HUD system, physically retrieve the employee's PIV Card from the employee, and provide a suitable replacement employee in accordance with the requirements of this clause.

(g) Incident response notification. An incident is defined as an event, either accidental or deliberate, that results in unauthorized access, loss, disclosure, modification, or destruction of information technology systems, applications, or data. The contractor shall immediately notify the GTR and the Contracting Officer of any known or suspected incident, or any unauthorized disclosure of the information contained in the system(s) to which the contractor has access.

(h) Nondisclosure of information. (1) Neither the contractor nor any of its employees shall divulge or release data or information developed or obtained during performance of this contract, except to authorized government personnel with an established need to know, or upon written approval of the Contracting Officer. Information contained in all source documents and other media provided by HUD is the sole property of HUD.

(2) The contractor shall require that all employees who may have access to the system(s)/applications(s) identified in paragraph (b) of this clause

sign a pledge of nondisclosure of information. The employees shall sign these pledges before they are permitted to perform work under this contract. The contractor shall maintain the signed pledges for a period of 3 years after final payment under this contract. The contractor shall provide a copy of these pledges to the GTR.

(i) Security procedures. (1) The Contractor shall comply with applicable federal and HUD statutes, regulations, policies, and procedures governing the security of the system(s) to which the contractor's employees have access including, but not limited to:

(i) The Federal Information Security Management Act (FISMA) of 2002;

(ii) OMB Circular A-130, Management of Federal Information Resources, Appendix III, Security of Federal Automated Information Resources;

(iii) HUD Handbook 2400.25, Information Technology Security Policy;

(iv) HUD Handbook 732.3, Personnel Security/Suitability;

(v) Federal Information Processing Standards 201 (FIPS 201), Sections 2.1 and 2.2;

(vi) Homeland Security Presidential Directive 12 (HSPD-12); and

(vii) OMB Memorandum M-05-24, Implementing Guidance for HSPD-12. The HUD Handbooks are available online at: <http://www.hud.gov/offices/adm/hudclips/> or from the GTR.

(2) The contractor shall develop and maintain a compliance matrix that lists each requirement set forth in paragraphs, (b) through (h), (i)(1), and (m) of this clause with specific actions taken, and/or procedures implemented, to satisfy each requirement. The contractor shall identify an accountable person for each requirement, the date upon which actions/procedures were initiated/ completed, and certify that information contained in this compliance matrix is correct. The contractor shall ensure that information in this compliance matrix is complete, accurate, and up-to-date at all times for the duration of this contract. Upon request, the contractor shall provide copies of the current matrix to the Contracting Officer and/or government technical representative.

(3) The Contractor shall ensure that its employees, in performance of the contract, receive annual training (or once if the contract is for less than one year) in HUD information technology security policies, procedures, computer ethics, and best practices in accordance with HUD Handbook 2400.25.

(j) Access to contractor's systems. The Contractor shall afford authorized

personnel, including the Office of Inspector General, access to the Contractor's facilities, installations, operations, documentation (including the compliance matrix required under paragraph (i)(2) of this clause), databases, and personnel used in performance of the contract. Access shall be provided to the extent required to carry out, but not limited to, any information security program activities, investigation, and audit to safeguard against threats and hazards to the integrity, availability, and confidentiality of HUD data and systems, or to the function of information systems operated on behalf of HUD, and to preserve evidence of computer crime.

(k) Contractor compliance with this clause. Failure on the part of the contractor to comply with the terms of this clause may result in termination of this contract for default.

(l) Physical access to Federal Government facilities. The contractor and any subcontractor(s) shall also comply with the requirements of HUDAR clause 2452.237-75 when the contractor's or subcontractor's employees will perform any work under this contract on site in a HUD or other Federal Government facility.

(m) Subcontracts. The contractor shall incorporate this clause in all subcontracts where the requirements specified in paragraph (b) of this section are applicable to performance of the subcontract.

**2452.239-71 Information Technology Virus Security.(FEB 2006)**

(a) The contractor hereby agrees to make every reasonable effort to deliver information technology products to HUD free of known computer viruses. The contractor shall be responsible for examining all such products prior to their delivery to HUD using software tools and processes capable of detecting all known viruses.

(b) The contractor shall include the following statement on deliveries of hardware, software, and data products, including diskettes, made under this contract:

[product description, part/catalog number, other identifier, and serial number, if any]

This product has been scanned for known viruses using [name of virus-screening product, including version number, if any] and is certified to be free of known viruses at the time of delivery."

(c) The Contracting Officer may assess monetary damages against the contractor sufficient to compensate HUD for actual or estimated costs resulting from computer virus damage or malicious destruction of computer information arising from the contractor's failure to take adequate precautions to preclude delivery of virus-containing products in the delivery of hardware, software, or data on diskettes under this



contract.

(d) This clause shall not limit the rights of the government under any other clause of this contract.

**2452.244-70 Consent to subcontract. (Mar 2016)**

(a) Due to the substantive nature of subcontracting that may be necessary during performance of this contract, the Contracting Officer has determined that a consent for individual subcontracts is required to adequately protect the Government. Consent is required for -

(1) Cost-reimbursement, time-and- materials, or labor-hour subcontracts, or combination of such, in excess of \$150,000 per year to a single subcontractor or consultant;

(2) Fixed price subcontracts in excess of 25% of the annual contract value to a single subcontractor or consultant.

(b) If subcontracts meeting the above parameters were not provided during the negotiation of the original contract award, the Contractor shall obtain post award consent and provide signed copies of the subcontract agreements within 10 days of consent.

(c) The Contractor shall provide the Contracting Officer with 30 days advance notification prior to changing subcontractors or existing subcontracting agreements, unless precluded due to circumstances beyond the control of the contractor. If advance notification is not feasible, the Contractor shall provide notification to the Contracting Officer no later than 10 days after the Contractor identifies the need to replace a subcontractor. The notification shall include a copy of the proposed new subcontracting agreement. Upon consent and finalization of the final subcontract agreement, the Contractor shall provide a copy of the signed agreement to the Contracting Officer.

(d) The Contracting Officer's consent to a subcontract does not constitute a determination of the acceptability of the subcontract terms or price, or of the allowability of costs.

(e) If not required elsewhere in the contract, no more than 30 calendar days after award, the Contractor shall provide a separate continuity of services plan to the Contracting Officer that will ensure services performed by subcontractors that cost more than 25% of the cost/price of the contract will continue uninterrupted in the event of performance problems or default by the subcontractor.

**2452.251-70 Contractor Employee Travel.(OCT 1999)**

(a) To the maximum extent practical, the Contractor shall make use of travel discounts which are available to Federal employees while traveling in the conduct of official Government business. Such discounts may include, but are not limited to, lodging and rental car

rates.

(b) The Contractor shall be responsible for obtaining and/or providing to his/her employees written evidence of their status with regard to their performance of Government contract work needed to obtain such discounts.

**SECTION J - List of Documents, Exhibits and Other Attachments**

1. Secretary Held Loan Servicing Score Card
2. Secretary Held Policy and Directives
3. Servicing Matrix
4. Systems Security
5. Quality Assurance Surveillance Plan
6. Employee Non-Disclosure
7. Wage Determination
8. Customer Service Historical Information (solicitation only)
9. Past Performance Survey (solicitation only)
10. Past Performance (solicitation only)
11. Pricing document (solicitation only)

**SECTION K - Representations, Certifications, and Other Statements of Bidders**

**FAR 52.209-2 PROHIBITION ON CONTRACTING WITH INVERTED DOMESTIC CORPORATIONS—Representation. (Nov 2015)**

**FAR 52.204-16 COMMERCIAL AND GOVERNMENT ENTITY CODE REPORTING. (Jul 2015)**

**FAR 52.204-17 OWNERSHIP OR CONTROL OF OFFEROR. (Nov 2014)**

**FAR 52.204-19 INCORPORATION BY REFERENCE of REPRESENTATIONS AND CERTIFICATIONS. (Dec 2014)**

**FAR 52.204-20 PREDECESSOR OF OFFEROR. (Jul 2016)**

(a) Definitions. As used in this provision—

“Commercial and Government Entity (CAGE) code” means—

(1) An identifier assigned to entities located in the United States or its outlying areas by the Defense Logistics Agency (DLA) Commercial and Government Entity (CAGE) Branch to identify a commercial or government entity; or

(2) An identifier assigned by a member of the North Atlantic Treaty Organization (NATO) or by the NATO Support and Procurement Agency (NSPA) to entities located outside the United States and its outlying areas that the DLA Commercial and Government Entity (CAGE) Branch records and maintains in the CAGE master file. This type of code is known as a NATO CAGE (NCAGE) code.

“Predecessor” means an entity that is replaced by a successor and includes any predecessors of the predecessor.

“Successor” means an entity that has replaced a predecessor by acquiring the assets and carrying out the affairs of the predecessor under a new name (often through acquisition or merger). The term “successor” does not include new offices/divisions of the same company or a company that only changes its name. The extent of the responsibility of the successor for the liabilities of the predecessor may vary, depending on State law and specific circumstances.

(b) The Offeror represents that it ☐ is or ☐ is not a successor to a predecessor that held a Federal contract or grant within the last three years.

(c) If the Offeror has indicated “is” in paragraph (b) of this provision, enter the following information for all predecessors that held a Federal contract or grant within the last three years (if more than one predecessor, list in reverse chronological order):

Predecessor CAGE code: \_\_\_\_\_ (or mark “Unknown”)

Predecessor legal name: \_\_\_\_\_

(Do not use a “doing business as” name)

**52.209-5 Certification Regarding Responsibility Matters.**

(a)(1) The Offeror certifies, to the best of its knowledge and belief, that—

(i) The Offeror and/or any of its Principals—

(A) Are ☐ are not ☐ presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have ☐ have not ☐, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property (if offeror checks “have”, the offeror shall also see [52.209-7](#), if included in this solicitation);

(C) Are ☐ are not ☐ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision;

(D) Have ☐, have not ☐, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,500 for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples.

(i) The taxpayer has received a statutory notice of deficiency, under I.R.C. § 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. § 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. § 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(ii) The Offeror has ☐ has not ☐, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) “Principal,” for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

## **52.209-7 INFORMATION REGARDING RESPONSIBILITY MATTERS. (JUL 2013)**

(a) Definitions. As used in this provision-

"Administrative proceeding" means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative Proceedings, Civilian Board of Contract Appeals Proceedings, and Armed Services Board of Contract Appeals Proceedings). This includes administrative proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include agency actions such as contract audits, site visits, corrective plans, or inspection of deliverables.

"Federal contracts and grants with total value greater than \$10,000,000" means-

(1) The total value of all current, active contracts and grants, including all priced options; and

(2) The total value of all current, active orders including all priced options under indefinite-delivery, indefinite-quantity, 8(a), or requirements contracts (including task and delivery and multiple-award Schedules).

"Principal" means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).

(b) The offeror ☐ has ☐ does not have current active Federal contracts and grants with total value greater than \$10,000,000.

(c) If the offeror checked "has" in paragraph (b) of this provision, the offeror represents, by submission of this offer, that the information it has entered in the Federal Awardee Performance and Integrity Information System (FAPIS) is current, accurate, and complete as of the date of submission of this offer with regard to the following information:

(1) Whether the offeror, and/or any of its principals, has or has not, within the last five years, in connection with the award to or performance by the offeror of a Federal contract or grant, been the subject of a proceeding, at the Federal or State level that resulted in any of the following dispositions:

(i) In a criminal proceeding, a conviction.

(ii) In a civil proceeding, a finding of fault and liability that results in the payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more.

(iii) In an administrative proceeding, a finding of fault and liability that results in-

(A) The payment of a monetary fine or penalty of \$5,000 or more; or

(B) The payment of a reimbursement, restitution, or damages in excess of \$100,000.

(iv) In a criminal, civil, or administrative proceeding, a disposition of the matter by consent or compromise with an acknowledgment of fault by the Contractor if the proceeding could have led to any of the outcomes specified in paragraphs (c)(1)(i), (c)(1)(ii), or (c)(1)(iii) of this provision.

(2) If the offeror has been involved in the last five years in any of the occurrences listed in (c)(1) of this provision, whether the offeror has provided the requested information with regard to each occurrence.

(d) The offeror shall post the information in paragraphs (c)(1)(i) through (c)(1)(iv) of this provision in FAPIS as required through maintaining an active registration in the System for Award Management database via <https://www.acquisition.gov> (see 52.204-7).

**FAR 52.209-12 Certification Regarding Tax Matters. (Feb 2016)**

(a) This provision implements section 523 of Division B of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235), and similar provisions, if contained in subsequent appropriations acts.

(b) If the Offeror is proposing a total contract price that will exceed \$5,000,000 (including options), the Offeror shall certify that, to the best of its knowledge and belief, it

(1) Has ☐ filed all Federal tax returns required during the three years preceding the certification;

(2) Has not ☐ been convicted of a criminal offense under the Internal Revenue Code of 1986; and

(3) Has not ☐, more than 90 days prior to certification, been notified of any unpaid Federal tax assessment for which the liability remains unsatisfied, unless the assessment is the subject of an installment agreement or offer in compromise that has been approved by the Internal Revenue Service and is not in default, or the assessment is the subject of a non-frivolous administrative or judicial proceeding.

**52.212-3 -- Offeror Representations and Certifications -- Commercial Items.(Oct 2016)**

The offeror shall complete only paragraphs (b) of this provision if the Offeror has completed the annual representations and certification electronically via the System for Award Management (SAM) Web site accessed through <http://www.sam.gov/portal>. If the Offeror has not completed the annual representations and certifications electronically, the Offeror shall complete only paragraphs (c) through (s) of this provision.

(a) Definitions. As used in this provision--

"Administrative merits determination" means certain notices or findings of labor law violations issued by an enforcement agency following an investigation. An administrative merits determination may be final or be subject to appeal or further review. To determine whether a particular notice or finding is covered by this definition, it is necessary to consult section II.B. in the DOL Guidance.

"Arbitral award or decision" means an arbitrator or arbitral panel determination that a labor law violation occurred, or that enjoined or restrained a violation of labor law. It includes an award or decision that is not final or is subject to being confirmed, modified, or vacated by a court, and includes an award or decision resulting from private or confidential proceedings. To determine whether a particular award or decision is covered by this definition, it is necessary to consult section II.B. in the DOL Guidance.

"Civil judgment" means--

(1) In paragraph (h) of this provision: A judgment or finding of a civil offense by any court of competent jurisdiction.



(2) In paragraph (s) of this provision: Any judgment or order entered by any Federal or State court in which the court determined that a labor law violation occurred, or enjoined or restrained a violation of labor law. It includes a judgment or order that is not final or is subject to appeal. To determine whether a particular judgment or order is covered by this definition, it is necessary to consult section II.B. in the DOL Guidance.

"DOL Guidance" means the Department of Labor (DOL) Guidance entitled: "Guidance for Executive Order 13673, 'Fair Pay and Safe Workplaces' ". The DOL Guidance, dated August 25, 2016, can be obtained from [www.dol.gov/fairpayandsafeworkplaces](http://www.dol.gov/fairpayandsafeworkplaces).

"Economically disadvantaged women-owned small business (EDWOSB) concern" means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business eligible under the WOSB Program.

"Enforcement agency" means any agency granted authority to enforce the Federal labor laws. It includes the enforcement components of DOL (Wage and Hour Division, Office of Federal Contract Compliance Programs, and Occupational Safety and Health Administration), the Equal Employment Opportunity Commission, the Occupational Safety and Health Review Commission, and the National Labor Relations Board. It also means a State agency designated to administer an OSHA-approved State Plan, but only to the extent that the State agency is acting in its capacity as administrator of such plan. It does not include other Federal agencies which, in their capacity as contracting agencies, conduct investigations of potential labor law violations. The enforcement agencies associated with each labor law under E.O. 13673 are--

(1) Department of Labor Wage and Hour Division (WHD) for--

(i) The Fair Labor Standards Act;

(ii) The Migrant and Seasonal Agricultural Worker Protection Act;

(iii) 40 U.S.C. chapter 31, subchapter IV, formerly known as the Davis-Bacon Act;

(iv) 41 U.S.C. chapter 67, formerly known as the Service Contract Act;

(v) The Family and Medical Leave Act; and

(vi) E.O. 13658 of February 12, 2014 (Establishing a Minimum Wage for Contractors);

(2) Department of Labor Occupational Safety and Health Administration (OSHA) for--

(i) The Occupational Safety and Health Act of 1970; and

(ii) OSHA-approved State Plans;

(3) Department of Labor Office of Federal Contract Compliance Programs (OFCCP) for--

(i) Section 503 of the Rehabilitation Act of 1973;

(ii) The Vietnam Era Veterans' Readjustment Assistance Act of 1972 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974; and

(iii) E.O. 11246 of September 24, 1965 (Equal Employment Opportunity);

(4) National Labor Relations Board (NLRB) for the National Labor Relations Act; and

(5) Equal Employment Opportunity Commission (EEOC) for--

(i) Title VII of the Civil Rights Act of 1964;

(ii) The Americans with Disabilities Act of 1990;

(iii) The Age Discrimination in Employment Act of 1967; and

(iv) Section 6(d) of the Fair Labor Standards Act (Equal Pay Act).

"Forced or indentured child labor" means all work or service--

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

"Highest-level owner" means the entity that owns or controls an immediate owner of the offeror, or that owns or controls one or more entities that control an immediate owner of the offeror. No entity owns or exercises control of the highest level owner.

"Immediate owner" means an entity, other than the offeror, that has direct control of the offeror. Indicators of control include, but are not limited to, one or more of the following: Ownership or interlocking management, identity of interests among family members, shared facilities and equipment, and the common use of employees.

"Inverted domestic corporation," means a foreign incorporated entity

that meets the definition of an inverted domestic corporation under 6 U.S.C. 395(b), applied in accordance with the rules and definitions of 6 U.S.C. 395(c).

"Labor compliance agreement" means an agreement entered into between a contractor or subcontractor and an enforcement agency to address appropriate remedial measures, compliance assistance, steps to resolve issues to increase compliance with the labor laws, or other related matters.

"Labor laws" means the following labor laws and E.O.s:

- (1) The Fair Labor Standards Act.
- (2) The Occupational Safety and Health Act (OSHA) of 1970.
- (3) The Migrant and Seasonal Agricultural Worker Protection Act.
- (4) The National Labor Relations Act.
- (5) 40 U.S.C. chapter 31, subchapter IV, formerly known as the Davis-Bacon Act.
- (6) 41 U.S.C. chapter 67, formerly known as the Service Contract Act.
- (7) E.O. 11246 of September 24, 1965 (Equal Employment Opportunity).
- (8) Section 503 of the Rehabilitation Act of 1973.
- (9) The Vietnam Era Veterans' Readjustment Assistance Act of 1972 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974.
- (10) The Family and Medical Leave Act.
- (11) Title VII of the Civil Rights Act of 1964.
- (12) The Americans with Disabilities Act of 1990.
- (13) The Age Discrimination in Employment Act of 1967.
- (14) E.O. 13658 of February 12, 2014 (Establishing a Minimum Wage for Contractors).
- (15) Equivalent State laws as defined in the DOL Guidance. (The only equivalent State laws implemented in the FAR are OSHA-approved State Plans, which can be found at [www.osha.gov/dcsp/osp/approved\\_state\\_plans.html](http://www.osha.gov/dcsp/osp/approved_state_plans.html)).

"Labor law decision" means an administrative merits determination, arbitral award or decision, or civil judgment, which resulted from a violation of one or more of the laws listed in the definition of "labor laws".

"Manufactured end product" means any end product in product and service codes (PSCs) 1000-9999, except—

- (1) PSC 5510, Lumber and Related Basic Wood Materials;
- (2) Product or Service Group (PSG) 87, Agricultural Supplies;
- (3) PSG 88, Live Animals;
- (4) PSG 89, Subsistence;
- (5) PSC 9410, Crude Grades of Plant Materials;
- (6) PSC 9430, Miscellaneous Crude Animal Products, Inedible;
- (7) PSC 9440, Miscellaneous Crude Agricultural and Forestry Products;
- (8) PSC 9610, Ores;
- (9) PSC 9620, Minerals, Natural and Synthetic; and
- (10) PSC 9630, Additive Metal Materials.

"Place of manufacture" means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

"Predecessor" means an entity that is replaced by a successor and includes any predecessors of the predecessor.

"Restricted business operations" means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate—

- (1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;
- (2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;
- (3) Consist of providing goods or services to marginalized populations of Sudan;

(4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;

(5) Consist of providing goods or services that are used only to promote health or education; or

(6) Have been voluntarily suspended.

Sensitive technology—

(1) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically—

(i) To restrict the free flow of unbiased information in Iran; or

(ii) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and

(2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

"Service-disabled veteran-owned small business concern"—

(1) Means a small business concern—

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and size standards in this solicitation.

"Small disadvantaged business concern, consistent with 13 CFR 124.1002," means a small business concern under the size standard applicable to the acquisition, that--

(1) Is at least 51 percent unconditionally and directly owned (as defined at 13 CFR 124.105) by--

(i) One or more socially disadvantaged (as defined at 13 CFR 124.103) and economically disadvantaged (as defined at 13 CFR 124.104) individuals who are citizens of the United States; and

(ii) Each individual claiming economic disadvantage has a net worth not exceeding \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(2) The management and daily business operations of which are controlled (as defined at 13.CFR 124.106) by individuals, who meet the criteria in paragraphs (1)(i) and (ii) of this definition.

"Subsidiary" means an entity in which more than 50 percent of the entity is owned--

(1) Directly by a parent corporation; or

(2) Through another subsidiary of a parent corporation.

"Successor" means an entity that has replaced a predecessor by acquiring the assets and carrying out the affairs of the predecessor under a new name (often through acquisition or merger). The term "successor" does not include new offices/divisions of the same company or a company that only changes its name. The extent of the responsibility of the successor for the liabilities of the predecessor may vary, depending on State law and specific circumstances.

"Veteran-owned small business concern" means a small business concern--

(1) Not less than 51 percent of which is owned by one or more veterans(as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned business concern" means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of the its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

"Women-owned small business concern" means a small business concern --

(1) That is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

"Women-owned small business (WOSB) concern eligible under the WOSB Program (in accordance with 13 CFR part 127)," means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(b)

(1) Annual Representations and Certifications. Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the SAMwebsite.

(2) The offeror has completed the annual representations and certifications electronically via the SAM website accessed through <https://www.acquisition.gov>. After reviewing the SAM database information, the offeror verifies by submission of this offer that the representation and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications-Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs \_\_\_\_\_. [Offeror to identify the applicable paragraphs at (c) through (s) of this provision that the offeror has completed for the purposes of this solicitation only, if any. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer. Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted electronically on SAM.]

(c) Offerors must complete the following representations when the resulting contract is to be performed in the United States or its outlying areas. Check all that apply.

(1) Small business concern. The offeror represents as part of its offer that it ☐ is, ☐ is not a small business concern.

(2) Veteran-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents as part of its offer that it ☐ is, ☐ is not a veteran-owned small business concern.

(3) Service-disabled veteran-owned small business concern. [Complete only if the offeror represented itself as a veteran-owned small

business concern in paragraph (c)(2) of this provision.] The offeror represents as part of its offer that it [ ] is, [ ] is not a service-disabled veteran-owned small business concern.

(4) Small disadvantaged business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it [ ] is, [ ] is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5) Women-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it [ ] is, [ ] is not a women-owned small business concern.

Note: Complete paragraphs (c)(8) and (c)(9) only if this solicitation is expected to exceed the simplified acquisition threshold.

(6) WOSB concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (c)(5) of this provision.] The offeror represents that—

(i) It [ ] is, [ ] is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It [ ] is, [ ] is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(6)(i) of this provision is accurate for each WOSB concern eligible under the WOSB Program participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern eligible under the WOSB Program and other small businesses that are participating in the joint venture: \_\_\_\_\_.] Each WOSB concern eligible under the WOSB Program participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(7) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a WOSB concern eligible under the WOSB Program in (c)(6) of this provision.] The offeror represents that—

(i) It [ ] is, [ ] is not an EDWOSB concern, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It [ ] is, [ ] is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(7)(i) of this provision is accurate for each EDWOSB concern participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern and other small businesses that are



participating in the joint venture: \_\_\_\_\_.] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

(8) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it [ ] is, a women-owned business concern.

(9) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

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(10) HUBZone small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, as part of its offer, that--

(i) It [ ] is, [ ] is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR part 126; and

(ii) It [ ] is, [ ] is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(10)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: \_\_\_\_\_.] Each HUBZone small business concern participating in the HUBZone joint venture shall submit a separate signed copy of the HUBZone representation.

(d) Representations required to implement provisions of Executive Order 11246 --

(1) Previous contracts and compliance. The offeror represents that --

(i) It [ ] has, [ ] has not, participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and

(ii) It [ ] has, [ ] has not, filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that --

(i) It [ ] has developed and has on file, [ ] has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR parts 60-1 and 60-2), or

(ii) It [ ] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352). (Applies only if the contract is expected to exceed \$150,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(f) Buy American Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American - Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product." The terms "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American-Supplies."

(2) Foreign End Products:

LINE ITEM NO.

COUNTRY OF ORIGIN

[List as necessary]

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g)

(1) Buy American -- Free Trade Agreements -- Israeli Trade Act Certificate. (Applies only if the clause at FAR 52.225-3, Buy American -- Free Trade Agreements -- Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "Bahrainian, Moroccan, Omani, Panamanian, or Peruvian end product," "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," "Free Trade Agreement country," "Free Trade Agreement country end product," "Israeli end product," and "United States" are defined in the clause of this solicitation entitled "Buy American--Free Trade Agreements--Israeli Trade Act."

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, Panamanian, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American--Free Trade Agreements--Israeli Trade Act":

Free Trade Agreement Country End Products (Other than Bahrainian, Moroccan, Omani, Panamanian, or Peruvian End Products) or Israeli End Products:

LINE ITEM NO.

COUNTRY OF ORIGIN

[List as necessary]

(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) or this provision) as defined in the clause of this solicitation entitled "Buy American--Free Trade Agreements--Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product."

Other Foreign End Products:

LINE ITEM NO.

COUNTRY OF ORIGIN

[List as necessary]

(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(2) Buy American-Free Trade Agreements-Israeli Trade Act Certificate, Alternate I. If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American-Free Trade Agreements-Israeli Trade Act":

Canadian End Products:

Line Item No.:

---

[List as necessary]

(3) Buy American-Free Trade Agreements-Israeli Trade Act Certificate, Alternate II. If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American--Free Trade Agreements--Israeli Trade Act":

Canadian or Israeli End Products:

Line Item No.:

Country of Origin:

[List as necessary]

(4) Buy American-Free Trade Agreements-Israeli Trade Act Certificate, Alternate III. If Alternate III to the clause at 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Korean, Moroccan, Omani, Panamanian, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American-Free Trade Agreements-Israeli Trade Act":

Free Trade Agreement Country End Products (Other than Bahrainian, Korean, Moroccan, Omani, Panamanian, or Peruvian End Products) or Israeli End Products:

Line Item No.:

Country of Origin:

[List as necessary]

(5) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(5)(ii) of this provision, is a U.S.-made or designated country end product as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made or designated country end products.

Other End Products

Line Item No.:

Country of Origin:

[List as necessary]

(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made or designated country end products without regard to the restrictions of the Buy American statute. The Government will consider for award only

offers of U.S.-made or designated country end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.

(h) Certification Regarding Responsibility Matters (Executive Order 12689). (Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals--

(1) ☐ Are, ☐ are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(2) ☐ Have, ☐ have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property; and

(3) ☐ Are, ☐ are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses enumerated in paragraph (h)(2) of this clause; and

(4) ☐ Have, ☐ have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,500 for which the liability remains unsatisfied.

(i) Taxes are considered delinquent if both of the following criteria apply:

(A) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(B) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(ii) Examples.

(A) The taxpayer has received a statutory notice of deficiency, under

I.R.C. §6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(B) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. §6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals Contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(C) The taxpayer has entered into an installment agreement pursuant to I.R.C. §6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(D) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. §362 (the Bankruptcy Code).

(i) Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126). [The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) Listed End Product

Listed End Product:

Listed Countries of Origin:

(2) Certification. [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]

[\_] (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.

☐ (ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

(j) Place of manufacture. (Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

(1) ☐ In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or

(2) ☐ Outside the United States.

(k) Certificates regarding exemptions from the application of the Service Contract Labor Standards. (Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services.) [The contracting officer is to check a box to indicate if paragraph (k)(1) or (k)(2) applies.]

(1) ☐ Maintenance, calibration, or repair of certain equipment as described in FAR 22.1003-4(c)(1). The offeror ☐ does ☐ does not certify that—

(i) The items of equipment to be serviced under this contract are used regularly for other than Governmental purposes and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontract) in substantial quantities to the general public in the course of normal business operations;

(ii) The services will be furnished at prices which are, or are based on, established catalog or market prices (see FAR 22.1003-4(c)(2)(ii)) for the maintenance, calibration, or repair of such equipment; and

(iii) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract will be the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.

(2) ☐ Certain services as described in FAR 22.1003-4(d)(1). The offeror ☐ does ☐ does not certify that—

(i) The services under the contract are offered and sold regularly to



non-Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;

(ii) The contract services will be furnished at prices that are, or are based on, established catalog or market prices (see FAR 22.1003-4(d)(2)(iii));

(iii) Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and

(iv) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract is the same as that used for these employees and equivalent employees servicing commercial customers.

(3) If paragraph (k)(1) or (k)(2) of this clause applies—

(i) If the offeror does not certify to the conditions in paragraph (k)(1) or (k)(2) and the Contracting Officer did not attach a Service Contract Labor Standards wage determination to the solicitation, the offeror shall notify the Contracting Officer as soon as possible; and

(ii) The Contracting Officer may not make an award to the offeror if the offeror fails to execute the certification in paragraph (k)(1) or (k)(2) of this clause or to contact the Contracting Officer as required in paragraph (k)(3)(i) of this clause.

(1) Taxpayer identification number (TIN) (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to the SAM database to be eligible for award.)

(1) All offerors must submit the information required in paragraphs (1)(3) through (1)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) Taxpayer Identification Number (TIN).

☐ TIN:\_\_\_\_\_.

☐ TIN has been applied for.

☐ TIN is not required because:

☐ Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

☐ Offeror is an agency or instrumentality of a foreign government;

☐ Offeror is an agency or instrumentality of the Federal Government;

(4) Type of organization.

☐ Sole proprietorship;

☐ Partnership;

☐ Corporate entity (not tax-exempt);

☐ Corporate entity (tax-exempt);

☐ Government entity (Federal, State, or local);

☐ Foreign government;

☐ International organization per 26 CFR 1.6049-4;

☐ Other \_\_\_\_\_.

(5) Common parent.

☐ Offeror is not owned or controlled by a common parent:

☐ Name and TIN of common parent:

Name \_\_\_\_\_

TIN \_\_\_\_\_

(m) Restricted business operations in Sudan. By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

(n) Prohibition on Contracting with Inverted Domestic Corporations—

(1) Government agencies are not permitted to use appropriated (or otherwise made available) funds for contracts with either an inverted

domestic corporation, or a subsidiary of an inverted domestic corporation, unless the exception at 9.108-2(b) applies or the requirement is waived in accordance with the procedures at 9.108-4.

(2) Representation. The offeror represents that—

(i) It [ ] is, [ ] is not an inverted domestic corporation; and

(ii) It [ ] is, [ ] is not a subsidiary of an inverted domestic corporation.

(o) Prohibition on contracting with entities engaging in certain activities or transactions relating to Iran.

(1) The offeror shall email questions concerning sensitive technology to the Department of State at CISADA106@state.gov.

(2) Representation and Certification. Unless a waiver is granted or an exception applies as provided in paragraph (o)(3) of this provision, by submission of its offer, the offeror—

(i) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran;

(ii) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act; and

(iii) Certifies that the offeror, and any person owned or controlled by the offeror, does not knowingly engage in any transaction that exceeds \$3,500 with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (see OFAC's Specially Designated Nationals and Blocked Persons List at <http://www.treasury.gov/ofac/downloads/tllsdsn.pdf>).

(3) The representation and certification requirements of paragraph (o)(2) of this provision do not apply if—

(i) This solicitation includes a trade agreements certification (e.g., 52.212-3(g) or a comparable agency provision); and

(ii) The offeror has certified that all the offered products to be supplied are designated country end products.

(p) Ownership or Control of Offeror. (Applies in all solicitations when there is a requirement to be registered in SAM or a requirement to have a DUNS Number in the solicitation.

(1) The Offeror represents that it ☐ has or ☐ does not have an immediate owner. If the Offeror has more than one immediate owner (such as a joint venture), then the Offeror shall respond to paragraph (2) and if applicable, paragraph (3) of this provision for each participant in the joint venture.

(2) If the Offeror indicates "has" in paragraph (p)(1) of this provision, enter the following information:

Immediate owner CAGE  
code:\_\_\_\_\_

Immediate owner legal  
name:\_\_\_\_\_

(Do not use a "doing business as" name)

Is the immediate owner owned or controlled by another entity:

☐ Yes or ☐ No.

(3) If the Offeror indicates "yes" in paragraph (p)(2) of this provision, indicating that the immediate owner is owned or controlled by another entity, then enter the following information:

Highest level owner CAGE  
code:\_\_\_\_\_

Highest level owner legal  
name:\_\_\_\_\_

(Do not use a "doing business as" name)

(q) Representation by Corporations Regarding Delinquent Tax Liability or a Felony Conviction under any Federal Law.

(1) As required by section 744 and 745 of Division E of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235), and similar provisions, if contained in subsequent appropriations acts, the Government will not enter into a contract with any corporation that—

(i) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless and agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government; or

(ii) Was convicted of a felony criminal violation under any Federal

law within the preceding 24 months, where the awarding agency is aware of the conviction, unless an agency has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government.

(2) The Offeror represents that--

(i) It is ☐ is not ☐ a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and

(ii) It is ☐ is not ☐ a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.

(r) Predecessor of Offeror. (Applies in all solicitations that include the provision at 52.204-16, Commercial and Government Entity Code Reporting.)

(1) The Offeror represents that it ☐ is or ☐ is not a successor to a predecessor that held a Federal contract or grant within the last three years.

(2) If the Offeror has indicated "is" in paragraph (r)(1) of this provision, enter the following information for all predecessors that held a Federal contract or grant within the last three years (if more than one predecessor, list in reverse chronological order):

Predecessor CAGE code \_\_\_\_\_(or mark "Unknown").

Predecessor legal name: \_\_\_\_\_.  
(Do not use a "doing business as" name).

## **FAR 52.219-1 -- Small Business Program Representations (OCT 2014)**

(a)

(1) The North American Industry Classification System (NAICS) code for this acquisition is 522390

(2) The small business size standard is \$20.5 Million.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b) Representations.

(1) The offeror represents as part of its offer that it ☐ is, ☐ is not a small business concern.

(2) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, for general statistical purposes, that it ☐ is, ☐ is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(3) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it ☐ is, ☐ is not a women-owned small business concern.

(4) Women-owned small business (WOSB) concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (b)(3) of this provision.] The offeror represents as part of its offer that—

(i) It ☐ is, ☐ is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It ☐ is, ☐ is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (b)(4)(i) of this provision is accurate for each WOSB concern eligible under the WOSB Program participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern eligible under the WOSB Program and other small businesses that are participating in the joint venture: \_\_\_\_\_.] Each WOSB concern eligible under the WOSB Program participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(5) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a women-owned small business concern eligible under the WOSB Program in (b)(4) of this provision.] The offeror represents as part of its offer that--

(i) It ☐ is, ☐ is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It ☐ is, ☐ is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (b)(5)(i) of this provision is accurate for each EDWOSB concern participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern and other small businesses that are participating in the joint venture: \_\_\_\_\_.] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

(6) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it ☐ is, ☐ is not a veteran-owned small business concern.

(7) [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (b)(6) of this provision.] The offeror represents as part of its offer that is ☐ is, ☐ is not a service-disabled veteran-owned small business concern.

(8) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, as part of its offer, that –

(i) It ☐ is, ☐ is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR part 126; and

(ii) It ☐ is, ☐ is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (b)(8)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: \_\_\_\_\_.] Each HUBZone small business concern participating in the HUBZone joint venture shall submit a separate signed copy of the HUBZone representation.

(c) Definitions. As used in this provision--

“Economically disadvantaged women-owned small business (EDWOSB) concern” means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business concern eligible under the WOSB Program.

“Service-disabled veteran-owned small business concern”—

(1) Means a small business concern—

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

“Small business concern,” means a concern, including its affiliates, that is independently

owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision.

“Veteran-owned small business concern” means a small business concern—

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

“Women-owned small business concern,” means a small business concern --

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

“Women-owned small business (WOSB) concern eligible under the WOSB Program (in accordance with 13 CFR part 127),” means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(d) Notice.

(1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.

(2) Under 15 U.S.C. 645(d), any person who misrepresents a firm’s status as a business concern that is small, HUBZone small, small disadvantaged, service-disabled veteran-owned small, economically disadvantaged women-owned small, or women-owned small eligible under the WOSB Program in order to obtain a contract to be awarded under the preference programs established pursuant to section 8, 9, 15, 31, and 36 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall --

(i) Be punished by imposition of fine, imprisonment, or both;

(ii) Be subject to administrative remedies, including suspension and debarment; and

(iii) Be ineligible for participation in programs conducted under the authority of the Act.

(End of Provision)



**FAR 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS. (FEB 1999)**

The offeror represents that-

(a) It ☐ has, ☐ has not participated in a previous contract or subcontract subject the Equal Opportunity clause of this solicitation;

(b) It ☐ has, ☐ has not filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subContractors, will be obtained before subcontract awards.

(End of provision)

**FAR 52.225-25 Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications. (OCT 2015)**

## **SECTION L - Instructions, Conditions, and Notices to Bidders**

### **FAR 52.204-18 Commercial and Government Entity Code Maintenance. (Jul 2015)**

#### **FAR 52.216-1 Type of Contract.**

The Government contemplates award of a Fixed Price contract resulting from this solicitation.

#### **Questions and Answers.**

All questions shall be submitted in writing no later than 03/14/2017 to Christopher.S.Stuart@hud.gov.

All questions and answers will be posted on or about 03/20/2017.

### **HUDAR 2452.215-70 Proposal Content. (MAR 2016) Alternate I and Alternate II**

(a) Proposals shall be submitted in two parts as described in paragraphs (c) and (d) below. Each of the parts must be complete in itself so that evaluation of each part may be conducted independently, and so the identified parts of each proposal may be evaluated strictly on its own merit. Proposals shall be submitted in the format, if any, prescribed elsewhere in this solicitation. Proposals shall be enclosed in sealed packaging and addressed to the office specified in the solicitation. The offeror's name and address, the solicitation number and the date and time specified in the solicitation for proposal submission must appear in writing on the outside of the package.

(b) The number of proposals required is an original copy of Part I, and copy of Part II.

(c) Part I—Technical Proposal.

(1) The offeror shall submit the information required in Instructions to Offerors designated under Part I—Technical Proposal.

(d) Part II—Business Proposal.

(1) The offeror shall complete the Representations and Certifications provided in Section K of this solicitation and include them in Part II, Business Proposal.

(2) The offeror shall provide information to support the offeror's proposed costs or prices as prescribed elsewhere in Instructions to Offerors for Part II—Business Proposal.

(3) The offeror shall submit any other information required in Instructions to Offerors designated under Part II—Business Proposal.

(4) The offeror shall describe in detail how the offeror will maintain the security of automated systems as required by clause 2452.239–70 in Section I of this solicitation and include it in Part

## II, Business Proposal.

### (e) Size limits of Parts I and II.

(1) Offerors shall limit submissions of Parts I and II of their initial proposals to the page limitations identified in the Instructions to Offerors. Offerors are cautioned that, if any Part of their proposal exceeds the stipulated limits for that Part, the Government will evaluate only the information contained in the pages up through the permitted number. Pages beyond that limit will not be evaluated.

(2) A page shall consist of one side of a single sheet of 8 1/2" x 11" paper, single spaced, using not smaller than 12-point type font, and having margins at the top, bottom, and sides of the page of no less than one inch in width.

(3) Any exemptions from this limitation are stipulated under the Instructions to Offerors.

(4) Offerors are encouraged to use recycled paper and to use both sides of the paper (see the FAR clause at 52.204-4).

## L.1 PROPOSAL MATRIX

As part of the proposal submission, offerors shall submit a Proposal Matrix using the table below or similar format, which maps what page of the proposal addresses each Performance Work Statement requirement identified under Technical Approach, and which page of the proposal fully addresses each evaluation factor. The offeror shall use the appropriate column to fill in the requirement as stipulated in the RFP to which the page/section number applies. **The chart may include as many lines as the offeror thinks are necessary.**

Proposal Page(s)/Section Number(s)	RFP Requirement	Statement of Work	Section L or Instructions to Offerors	Section M or Evaluation Factors	Comments

### L.1.1 TECHNICAL APPROACH (Shall not exceed 25 pages)

The offeror will be evaluated on its knowledge of the loan programs, and the demonstration of processes, and its policies to be utilized in meeting the technical requirements defined in the performance work statement including but not limited to the following:

- performing comprehensive loan servicing activities on secretary-held 1<sup>st</sup> and subordinate mortgages according to industry standards;
- ensuring all loans are administered and serviced fully to meet the customers and agency's needs;
- mortgage servicing accounting reconciliation functions;
- disbursement of payments;
- collections;
- default management;
- comprehensive knowledge of all secretary owned mortgages regulatory guidance.

**L.1.2 MANAGEMENT PLAN** (Shall not exceed 16 pages)

The offeror shall submit a Management Plan that is clear, concise, and demonstrates that it will result in meeting the objectives and requirements contained within Performance Work Statement tasks identified under the instructions for Technical Approach. At a minimum, the Management Plan should address the following:

- Key Personnel and responsibilities;
- subcontracting arrangements and reporting relationships of all subcontractors;
- successful communication and coordination between the contractor and the government personnel/roles;
- clear lines of authority from the top of the organization to all those working on this effort;
- schedules of all tasks and subtasks, meetings, and deliverables; and Quality Control Plan, Continuity of Operations Plan, and successful communication and coordination between Contractor and government personnel and roles;
- How work deadlines will be met including how adjustments in staffing and workload will be made when there are fluctuating levels of case assignments;

**L.1.3 KEY PERSONNEL** (Limit to 2 Pages each. Letters of commitment do not count toward 2 page limit.)

The offeror shall submit Key Personnel resumes that demonstrate sufficient relevant prior experience, qualifications, education, and certification for personnel proposed to fill the key positions identified by the offeror. Additionally, the Key Personnel proposed and the number identified must reflect adequate capabilities or skill sets to ensure the outcome and benefits sought by the government are achievable. The offeror shall state what percentage of the Key Personnel's work week time will be dedicated to the performance of the contract. Letters of commitment are required for all Key Personnel.

Specific Key Personnel requirements are as follows:

- How well the resumes demonstrate relevant prior experience, qualifications, education, and certification, if applicable, for personnel proposed to fill the key positions described in the solicitation;
- How well the number of key personnel identified and the amount of time each will commit to the effort, reflect a clear understanding of the requirement described in the PWS; and
- Whether any key personnel letters of commitment were submitted and are acceptable.

**L.1.4 PAST PERFORMANCE**

The offeror shall submit the following information/documents:

A completed chart providing the information required by the Past Performance Information chart in **Attachment 10**. The chart shall reflect **all** relevant past performance performed in the *three year* period immediately preceding submission of the proposal and all work currently being performed. If the offeror has more than 5 relevant past performance references, then the offeror shall provide the most recent 5 references. As an attachment to the chart, the offeror shall provide a narrative describing the past performance references that reflect the most relevance to the services being obtained under the contract to be awarded. The narrative shall clearly establish the relevancy of the past performance to the current requirements. (Narratives shall not exceed 1 page per reference.)

- If the offeror is proposing to subcontract (or use joint ventures/ partners, or other entities other than the prime Contractor to perform) more than 20% of the contract value, the offeror shall submit a separate chart and narrative described for past performance above, for the proposed subContractor(s).
- The Contractor shall provide the survey contained in **Attachment 9** to each past performance reference in sufficient time for the reference to complete and submit the survey directly to the HUD Contracting Officer prior to the date and time for submission of proposals. Offerors are not required to submit surveys for references where past performance is available in the Past Performance Information Retrieval System.
- If past performance for the offering firm does not exist, the Offeror may substitute past performance of key personnel that will be performing major aspects of the work under any resulting contract. If the Offeror chooses to make such a substitution, the offeror must clearly identify the substituted key personnel by name and title proposed. Only the past performance of Key Personnel overseeing the entirety of the proposed project will be considered in substitution for the firm's past performance under this factor. The Contractor shall provide the survey contained in **Attachment 9** to each past performance reference with first-hand knowledge of the performance of the substituted Key Personnel in sufficient time for the reference to complete and submit the survey directly to the HUD Contracting Officer prior to the date and time for submission of proposals.

**L.2. Vol II** shall be the business proposal using the format provided and shall include all other required documents listed below.

#### **L.2.1 COMPLETED SF1449**

Offerors shall fully complete all Blocks of the SF 1449 and sign all applicable portions.

#### **L.2.2 PRICE**

Offerors shall submit fully burdened labor rates for each labor category proposed (based on their technical approach and estimation of labor needed) for the base period and all option periods using the tables in the Description/Specifications section. Offerors shall submit an estimated cost for the for the base period that is consistent with the requirements set forth in the Performance Work Statement and in the format requested in **Attachment 11** of this solicitation. If the offeror

proposes annual cost of living increases, the offeror must support the proposed increases with historical and relevant market index information.

### **L.3 CAUTIONS**

Offerors are cautioned to submit all required information, including but not limited to:

Complete all required provisions and clauses (if the information is not available through the SAM (formerly CCR, ORCA and EPLS) website) contained in sections Contract Clauses, Representations Certifications and Other Statements of Bidders, and Instructions Conditions & Notices to Bidders.

Contract Pricing Documentation format, **Attachment 11** – Contract pricing must be supported by completing all the information required in **Attachment 11**.

The submittal of GSA burdened rates is unacceptable for this procurement.

**DISCLOSURE OF CONTACTS** - The offer shall disclose all contacts with all Government personnel in regard to this specific project that have occurred prior to submission of this proposal, except that disclosure is not required for contacts with personnel from HUD's Office of the Chief Procurement Officer (OCPO) or Office of Small and Disadvantaged Utilization (OSDBU). The disclosure shall provide, at a minimum, the date the contact(s) occurred, the name(s) of the offeror and Government persons the contact(s) occurred with, and the general substance of the reason(s) for and outcome(s) of the contact(s). The requirement for disclosure applies to any and all subContractors and consultants equally with the offeror. Failure to disclose all contacts may be viewed that improper contact was made in violation of Federal and HUD regulations that bar improper conduct and may render the offeror ineligible for award.

The information provided will be reviewed to ensure that no improper contacts between Government personnel and the offeror have occurred that could affect the award of the procurement.

**SUBCONTRACT/CONSULTANT AGREEMENTS** - The offeror shall negotiate and execute all proposed subcontract/consultant/partnership agreements prior to submission of the Business Proposal. The offeror shall include in its business proposal submission a complete copy of its negotiated and signed subcontract/consultant agreements. Failure to include copies of executed subcontract/consultant agreements may render the offer ineligible for award.

Please provide your proposal via email to **Christopher.S.Stuart@hud.gov** at the date and time specified in block 8 of the 1449.

Failure to submit any required information, forms or disclosures will be considered **a material failure and will result in the offeror's proposal being rejected**. Proposals with missing or incomplete documents will not be evaluated or rated. Offerors will be notified within five business days of rejection and will be provided with a list of missing or incomplete documents.

### **L.4 AS 2102- LIMITATION ON SIZE OF TECHNICAL PROPOSAL**

(a) Offerors shall limit Part I, Technical Proposal, of their initial offers to 41 pages, (25) for TECHNICAL APPROACH, (16) for MANAGEMENT PLAN, except for the information specifically exempted in paragraph (c). Offerors are cautioned that if Part I of their offer exceeds this page limitation, the Government will evaluate up through the permitted number of pages only. Pages beyond that limit will not be evaluated.

(b) A page is considered to be one side of a single sheet of 8½" x 11" paper, single spaced, using not smaller than 12-point type font, and having margins at the top, bottom and sides of the page of no less than one inch in width. Smaller font can be used for tables, charts, and graphs as long as it is still legible.

(c) The following information is exempt from the limitation set forth in paragraph (a)—

Letters of Commitment  
Past Performance Chart and Past Performance Survey  
Proposal Matrix

(d) Offerors are encouraged to use recycled paper and to use both sides of the paper (see FAR clause 52.204-4).

**L.5 FAR 52.212-1 Instructions to Offerors—Commercial Items. (Oct 2015)**

(a) North American Industry Classification System (NAICS) code and small business size standard. The NAICS code and small business size standard for this acquisition appear in Block 10 of the solicitation cover sheet ([SF 1449](#)). However, the small business size standard for a concern which submits an offer in its own name, but which proposes to furnish an item which it did not itself manufacture, is 500 employees.

(b) Submission of offers. Submit signed and dated offers to the office specified in this solicitation at or before the exact time specified in this solicitation. Offers may be submitted on the [SF 1449](#), letterhead stationery, or as otherwise specified in the solicitation. As a minimum, offers must show—

- (1) The solicitation number;
- (2) The time specified in the solicitation for receipt of offers;
- (3) The name, address, and telephone number of the offeror;
- (4) A technical description of the items being offered in sufficient detail to evaluate compliance with the requirements in the solicitation. This may include product literature, or other documents, if necessary;
- (5) Terms of any express warranty;
- (6) Price and any discount terms;
- (7) "Remit to" address, if different than mailing address;



(8) A completed copy of the representations and certifications at FAR [52.212-3](#) (see FAR [52.212-3](#)(b) for those representations and certifications that the offeror shall complete electronically);

(9) Acknowledgment of Solicitation Amendments;

(10) Past performance information, when included as an evaluation factor, to include recent and relevant contracts for the same or similar items and other references (including contract numbers, points of contact with telephone numbers and other relevant information); and

(11) If the offer is not submitted on the [SF 1449](#), include a statement specifying the extent of agreement with all terms, conditions, and provisions included in the solicitation. Offers that fail to furnish required representations or information, or reject the terms and conditions of the solicitation may be excluded from consideration.

(c) Period for acceptance of offers. The offeror agrees to hold the prices in its offer firm for 30 calendar days from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.

(d) Product samples. When required by the solicitation, product samples shall be submitted at or prior to the time specified for receipt of offers. Unless otherwise specified in this solicitation, these samples shall be submitted at no expense to the Government, and returned at the sender's request and expense, unless they are destroyed during preaward testing.

(e) Multiple offers. Offerors are encouraged to submit multiple offers presenting alternative terms and conditions or commercial items for satisfying the requirements of this solicitation. Each offer submitted will be evaluated separately.

(f) Late submissions, modifications, revisions, and withdrawals of offers.

(1) Offerors are responsible for submitting offers, and any modifications, revisions, or withdrawals, so as to reach the Government office designated in the solicitation by the time specified in the solicitation. If no time is specified in the solicitation, the time for receipt is 4:30 p.m., local time, for the designated Government office on the date that offers or revisions are due.

(2)(i) Any offer, modification, revision, or withdrawal of an offer received at the Government office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition; and—

(A) If it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the Government infrastructure not later than 5:00 p.m. one working day prior to the date specified for receipt of offers; or

(B) There is acceptable evidence to establish that it was received at the Government installation designated for receipt of offers and was under the Government's control prior to the time set for receipt of offers; or

(C) If this solicitation is a request for proposals, it was the only proposal received.

(ii) However, a late modification of an otherwise successful offer, that makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted.

(3) Acceptable evidence to establish the time of receipt at the Government installation includes the time/date stamp of that installation on the offer wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of Government personnel.

(4) If an emergency or unanticipated event interrupts normal Government processes so that offers cannot be received at the Government office designated for receipt of offers by the exact time specified in the solicitation, and urgent Government requirements preclude amendment of the solicitation or other notice of an extension of the closing date, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal Government processes resume.

(5) Offers may be withdrawn by written notice received at any time before the exact time set for receipt of offers. Oral offers in response to oral solicitations may be withdrawn orally. If the solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for receipt of offers, subject to the conditions specified in the solicitation concerning facsimile offers. An offer may be withdrawn in person by an offeror or its authorized representative if, before the exact time set for receipt of offers, the identity of the person requesting withdrawal is established and the person signs a receipt for the offer.

(g) Contract award (not applicable to Invitation for Bids). The Government intends to evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. The Government may reject any or all offers if such action is in the public interest; accept other than the lowest offer; and waive informalities and minor irregularities in offers received.

(h) Multiple awards. The Government may accept any item or group of items of an offer, unless the offeror qualifies the offer by specific limitations. Unless otherwise provided in the Schedule, offers may not be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the offeror specifies otherwise in the offer.

(i) Availability of requirements documents cited in the solicitation.

(1)(i) The GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, FPMR Part 101-29, and copies of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained for a fee by submitting a request to—

GSA Federal Supply Service Specifications Section  
Suite 8100  
470 East L'Enfant Plaza, SW  
Washington, DC 20407

Telephone (202) 619-8925  
Facsimile (202) 619-8978.

(ii) If the General Services Administration, Department of Agriculture, or Department of Veterans Affairs issued this solicitation, a single copy of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained free of charge by submitting a request to the addressee in paragraph (i)(1)(i) of this provision. Additional copies will be issued for a fee.

(2) Most unclassified Defense specifications and standards may be downloaded from the following ASSIST websites:

(i) ASSIST (<https://assist.dla.mil/online/start/>).

(ii) Quick Search (<http://quicksearch.dla.mil/>).

(iii) ASSISTdocs.com (<http://assistdocs.com>).

(3) Documents not available from ASSIST may be ordered from the Department of Defense Single Stock Point (DoDSSP) by—

(i) Using the ASSIST Shopping Wizard  
(<https://assist.dla.mil/wizard/index.cfm>);

(ii) Phoning the DoDSSP Customer Service Desk (215) 697-2179, Mon-Fri, 0730 to 1600 EST; or

(iii) Ordering from DoDSSP, Building 4, Section D, 700 Robbins Avenue, Philadelphia, PA 19111-5094, Telephone (215) 697-2667/2179, Facsimile (215) 697-1462.

(4) Nongovernment (voluntary) standards must be obtained from the organization responsible for their preparation, publication, or maintenance.

(j) Data Universal Numbering System (DUNS) Number. (Applies to all offers exceeding \$3,500, and offers of \$3,500 or less if the solicitation requires the Contractor to be registered in the System for Award Management (SAM) database.) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation “DUNS” or “DUNS+4” followed by the DUNS or DUNS+4 number that identifies the offeror’s name and address. The DUNS+4 is the DUNS number plus a 4-character suffix that may be assigned at the discretion of the offeror to establish additional SAM records for identifying alternative Electronic Funds

Transfer (EFT) accounts (see FAR [Subpart 32.11](#)) for the same concern. If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one. An offeror within the United States may contact Dun and Bradstreet by calling 1-866-705-5711 or via the internet at <http://fedgov.dnb.com/webform>. An offeror located outside the United States must contact the local Dun and Bradstreet office for a DUNS number. The offeror should indicate that it is an offeror for a Government contract when contacting the local Dun and Bradstreet office.

(k) System for Award Management. Unless exempted by an addendum to this solicitation, by submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the SAM database prior to award, during performance and through final payment of any contract resulting from this solicitation. If the Offeror does not become registered in the SAM database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror. Offerors may obtain information on registration and annual confirmation requirements via the SAM database accessed through <https://www.acquisition.gov>.

(l) Debriefing. If a post-award debriefing is given to requesting offerors, the Government shall disclose the following information, if applicable:

(1) The agency's evaluation of the significant weak or deficient factors in the debriefed offeror's offer.

(2) The overall evaluated cost or price and technical rating of the successful and the debriefed offeror and past performance information on the debriefed offeror.

(3) The overall ranking of all offerors, when any ranking was developed by the agency during source selection.

(4) A summary of the rationale for award;

(5) For acquisitions of commercial items, the make and model of the item to be delivered by the successful offeror.

(6) Reasonable responses to relevant questions posed by the debriefed offeror as to whether source-selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the agency.

#### **L.6 FAR 52.215-1 Instructions to Offerors—Competitive Acquisition. (Jan 2004)**

#### **L. 7 FAR 52.233-2 SERVICE OF PROTEST. (SEP 2006)**

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government Accountability Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Hand-Carried and Mailing Address:

U.S. Department of Housing and Urban Development  
Western (Denver) Field Contracting Operations, NFWR  
1670 Broadway, 23rd Floor  
Denver, CO 80202-4801  
ATTN: Kevin Crook

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

**L. 8 FAR 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE. (FEB 1998)**

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):  
<https://www.acquisition.gov> or <http://farsite.hill.af.mil/>

**L. 9 FAR 52.252-5 AUTHORIZED DEVIATIONS IN PROVISIONS. (APR 1984)**

(a) The use in this solicitation of any Federal Acquisition Regulation (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the provision.

(b) The use in this solicitation of any HUD Acquisition Regulation (HUDAR), (48 CFR Chapter 24) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

**L. 10 HUDAR 2452.233-70 REVIEW OF CONTRACTING OFFICER PROTEST DECISIONS. (FEB 2006)**

(a) In accordance with FAR 33.103 and HUDAR 2433.103, a protester may request an appeal of the Contracting Officer's decision concerning a protest initially made by the protester to the Contracting Officer. The protestor must submit a written request for an appeal to the HCA not later than 10 days after the protestor's receipt of the Contracting Officer's decision (see FAR 33.101 for the definition of "days").

(b) The HCA shall make an independent review of the Contracting Officer's decision and provide the protester with the HCA's decision on the appeal.

ATTN: Keith W. Surber  
US Dep't of Housing & Urban Development  
451 7th St, Room 5256  
Washington, DC 20410

## **SECTION M - Evaluation Factors for Award**

### **M. 1 FAR 52.204-7 System for Award Management. (Jul 2013)**

### **M. 2 FAR 52.212-2 EVALUATION - COMMERCIAL ITEMS. (Oct 2014)**

(a) The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, price and other factors considered. The following factors shall be used to evaluate offers:

See paragraph *Evaluation Factors* below.

(b) *Options*. The Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. The Government may determine that an offer is unacceptable if the option prices are significantly unbalanced. Evaluation of options shall not obligate the Government to exercise the option(s).

(c) A written notice of award or acceptance of an offer, mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer, shall result in a binding contract without further action by either party. Before the offer's specified expiration time, the Government may accept an offer (or part of an offer), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award.

### **M.3 Evaluation Factors**

#### **M.3.1 TECHNICAL APPROACH**

The government will evaluate the following regarding the proposed Technical Approach:

Knowledge of the loan programs, and the demonstration of processes, and its policies to be utilized in meeting the technical requirements defined in the performance work statement including but not limited to the following:

- performing comprehensive loan servicing activities on secretary-held 1<sup>st</sup> and subordinate mortgages according to industry standards;
- ensuring all loans are administered and serviced fully to meet the customers and agency's needs;
- mortgage servicing accounting reconciliation functions;
- disbursement of payments;
- collections;
- default management;
- comprehensive knowledge of all secretary owned mortgages regulatory guidance.

#### **M.3.2 MANAGEMENT PLAN**

The government will evaluate the following in the proposed Management Plan:

The Management Plan is clear, concise, and demonstrates that it will result in meeting the

objectives and requirements contained within Performance Work Statement tasks identified under the instructions for Technical Approach. At a minimum, the Management Plan should address the following:

- Key Personnel and responsibilities;
- subcontracting arrangements and reporting relationships of all subcontractors;
- successful communication and coordination between the contractor and the government personnel/roles;
- clear lines of authority from the top of the organization to all those working on this effort;
- schedules of all tasks and subtasks, meetings, and deliverables; and Quality Control Plan, Continuity of Operations Plan, and successful communication and coordination between Contractor and government personnel and roles;
- How work deadlines will be met including how adjustments in staffing and workload will be made when there are fluctuating levels of case assignments.

### **M.3.3 KEY PERSONNEL**

The government will evaluate the following regarding the proposed Key Personnel:

- How well the resumes demonstrate relevant prior experience, qualifications, education, and certification, if applicable, for personnel proposed to fill the key positions identified in the solicitation;
- How well the number of key personnel identified and/or the amount of time each will commit to the effort, reflect a clear understanding of the requirement described in the PWS; and
- Whether any required letters of commitment were submitted and are acceptable

### **M.3.4. PAST PERFORMANCE**

In evaluating Past Performance, HUD will address four components – recency, relevancy, quality, and sufficiency. This factor’s primary emphasis is to assess the past performance of the proposed prime Contractor (or in the case of joint ventures or some other teaming arrangement, the primary member of the team). However, if significant subcontracting/use of other teaming arrangements is anticipated, the past performance history of the proposed subcontractors/other team members must also be evaluated.

- All references will be first assessed for recency and HUD will consider only references performed within the three years immediately prior to submission of the proposal;



- Of those determined to be recent, HUD will assess the degree of similarity in scope, value and magnitude that the past performance efforts submitted have to meet the solicitation requirements to determine relevancy;
- HUD will then assess relevant past performance efforts for quality;
- HUD's overall assessment will be based upon the sufficiency of high quality past performance and the risk of nonperformance.

The final rating under this factor will encompass the totality of the information provided, including completeness, relevancy, and the depth, breadth, and quality of only relevant past performance for the proposed prime Contractor and proposed subcontractor/team members. The final rating will range from Excellent (High Confidence) to Unacceptable (Low Confidence). Offerors that have addressed the factor and have no relevant past performance history by the prime and any subcontractors/team members will be rated as Neutral (Unknown Confidence). Offerors that fail to address the factor will be determined to have not complied with the solicitation requirements and will receive the lowest possible rating.

HUD is not restricted to evaluating the information provided by the offeror or the surveys provided by references and may utilize information obtained from any source. HUD will obtain additional information from the Government's Past Performance Information Retrieval System (PPIRS), if available.

### **M.3.5 PRICE**

Price will be evaluated separately from Technical and other non-cost/price factors, and will be evaluated as follows:

Reasonableness. The reasonableness of the prices proposed will be evaluated as follows:

- The sum for each period will be added to determine the total evaluated contract price;
- On the basis of adequate price competition, by comparing the proposed prices among offers;
- Comparing proposed prices to the Independent Government Cost Estimate to ensure that prices are reasonable for the results to be achieved
- While cost will not be assigned a rating during the evaluation, it is a criterion in the overall evaluation of proposals. Proposed costs will be evaluated to determine whether they are necessary and reasonable for the conduct of the proposed contract, reflect a clear understanding of the requirements, and are consistent with the methods of performance described in the offeror's proposal and/or;
- Ensuring line item prices are not unbalanced.

Unless it is determined not to be in the Government's best interest in accordance with FAR 17.206(b); offers will be evaluated for award purposes by adding the total price for all options to the total price for the basic requirement. For purposes of evaluating the price of exercising the potential 6-month extension of services using the clause at FAR 52.217-8, 50% of the final

option year (six months) value will be added to the total proposed amount for evaluating pricing only, this amount will not be included in the total aggregate value of the resulting contract. This addition is for evaluation purposes only.

Unbalanced Pricing - Offerors are cautioned against submitting an offer that contains unbalanced pricing. Unbalanced pricing may increase performance risk and could result in payment of unreasonably high prices. Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly over or understated as indicated by the application of price analysis techniques. The Government will analyze offers to determine whether they are unbalanced with respect to separately priced line items. Offers that are determined to be unbalanced may be rejected if the contracting officer determines that the lack of balance poses an unacceptable risk to the Government.

#### **M.4 AS 2112 SPECIAL INSTRUCTION REGARDING LOBBYING DISCLOSURES**

If the bidder/offeror is required to complete an SF LLL, Disclosure of Lobbying Activities (see FAR 52.203-11), the offeror may obtain the form from HUD's internet homepage at:

<http://www.hudclips.org/subscriber/html/forms.htm>

#### **M.5 FAR 52.217-5 EVALUATION OF OPTIONS. (JUL 1990)**

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

#### **M.6 HUDAR 2452.215-71 RELATIVE IMPORTANCE OF TECHNICAL EVALUATION FACTORS TO COST OR PRICE (DEC 2012)**

For the purposes of evaluating offers and the selection of the Contractor or Contractors under this solicitation, the relative merit of the offeror's technical proposal as evaluated in accordance with the technical evaluation factors listed herein shall be considered significantly more important than cost or price. While the proposed cost or price will not be assigned a specific weight, it shall be considered a significant criterion in the overall evaluation of proposals.

#### **M. 7 BEST VALUE AWARD**

- This Best Value Tradeoff analysis will be used in this solicitation. The Contracting Officer anticipates awarding contract without entering into discussions with offerors; however, the Contracting Officer reserves the right to engage in discussion if warranted. HUD may have communications with offerors before establishing a competitive range of offerors with whom to enter into discussions.
- Proposals received in response to this RFP will be evaluated using a Best Value Tradeoff process that will entail a qualitative evaluation of proposals under four primary factors – 1) Technical Approach, 2) Management 3) Key Personnel, and 4)

Past Performance. The factors listed are equal in terms of importance. However, as the offerors become more equal in technical merit, the importance of price to the evaluation decision will increase. **The TEP will rank the proposals from highest to lowest utilizing the technical and other discriminators, other than price, that distinguish each proposal from the others.**

- The final selection will be made using the qualitative factors and price as the tradeoff factors for offers ultimately determined to be technically acceptable for all factors evaluated. The Government shall make award to the offeror who represents the overall best value to the Government.
- An offeror rated overall as unacceptable (including unacceptable but capable of being made acceptable) shall not be eligible for award.
- After completion of technical evaluation, if the CO determines to award without conducting discussions, then only offerors rated technically acceptable will be eligible for award. The Government award may be made **without** discussions based on a best value trade-off between all proposals determined to be technically acceptable.
- If the CO determines discussions are necessary, then based upon the ratings of each proposal against all the evaluation criteria, the CO will establish a competitive range comprised of the most highly rated proposals for which an efficient competition can be conducted.
- After establishing the competitive range, HUD may conduct exchanges of information (discussions/negotiations/clarifications). After exchanges are completed, offerors in the competitive range will be required to submit Final Proposal Revisions (FPR). Upon submission and evaluation of the FPR, a selection decision will be made and the contract will be awarded.
- Regardless of whether or not exchanges take place, the final selection decision will be the result of a tradeoff analysis of the technical factors and price.

#### **Adjectival Ratings for Other Than Past Performance or Socioeconomic Participation Evaluation Factors**

The following adjectival ratings provide a standardized means to evaluate proposals for factors other than past performance or socioeconomic participation:

- **Excellent/Very Low Risk** – An excellent proposal is characterized as follows: The proposed approach indicates an exceptionally thorough and comprehensive understanding of the contract and program goals, resources, schedules, and other aspects essential to performance of the program. In terms of the specific factor (or significant subfactor), the proposal contains one or more major strengths and no weaknesses, significant weaknesses or deficiencies. The risk of unsuccessful contract performance is very low.
- **Good/Low Risk** – A good proposal is characterized as follows: The proposed approach indicates a thorough understanding of the contract and program goals and the methods, resources, schedules, and other aspects essential to the performance of the program.

Weaknesses, if any, are minor and no deficiencies exist. Risk of unsuccessful performance is low.

- **Fair/Medium Risk** – A fair proposal is characterized as follows: The proposed approach indicates an adequate understanding of the contract and program goals and the methods, resources, schedules, and other aspects essential to the performance of the program. There are no deficiencies, but one or more significant weaknesses or a combination of many weaknesses exist that increase the risk of unsuccessful performance. The risk of unsuccessful performance is medium.
- **Marginal/High Risk** – A marginal proposal is characterized as follows: The proposed approach indicates a superficial or vague understanding of the contract and program goals and the methods, resources, schedules, and other aspects essential to the performance of the program. The proposal has multiple significant weaknesses and weaknesses but no deficiencies. The risk of unsuccessful contract performance is high.
- **Unacceptable/Very High Risk** - An unacceptable proposal is characterized as follows: The proposed approach indicates a lack of understanding of the contract and program goals and the methods, resources, schedules, and other aspects essential to the performance of the program. One or more deficiencies or a combination of significant weaknesses exist sufficient to indicate a lack of understanding of the requirements. The risk of unsuccessful contract performance is very high.

#### **Adjectival Ratings for Past Performance Evaluation Factors**

The following adjectival ratings provide a standardized means to evaluate proposals for past performance factors:

- **Excellent (High Confidence)** – The overall assessment of the offeror's recent past performance reveals a sufficient quantity of highly relevant and high quality past performance. There is no doubt the offeror will successfully perform the effort required under the contract. The confidence of successful performance is evaluated as high.
- **Good (Significant Confidence)** – The overall assessment of the offeror's recent past performance, in terms of relevancy, quality, and sufficiency reveals a past performance record in which there is little doubt the offeror will successfully perform the effort required under the contract. The confidence of successful performance is evaluated as significant.
- **Fair (Some confidence)** – The overall assessment of the offeror's recent past performance, in terms of relevancy, quality, and sufficiency reveals a past performance record in which there is some doubt the offeror will successfully perform the effort required under the contract. The confidence of successful performance is evaluated as some.

- **Neutral** – The overall assessment of the offeror’s past performance, in terms of relevancy, quality, and sufficiency reveals the offeror has no relevant past performance record which may be effectively evaluated. The performance risk of the offeror is neutral. The Contractor is rated neither good nor bad. The performance risk of the offeror is neutral.

(Note that, to obtain this rating, the offeror must specifically address the factor and either state it has no relevant past performance or the submitted past performance must be determined to not be relevant. Failure to address the factor in its entirety does not warrant this rating.)

- **Unacceptable (Low confidence)** – The overall assessment of the offeror’s past performance, in terms of recency, relevancy, quality, and sufficiency, reveals a past performance record in which there is substantial doubt the offeror will successfully perform the effort required under the contract. This rating may also be due to the offeror failing to address the factor as required and no additional information is available. The confidence of successful performance is evaluated as low.

### **Definitions**

In an effort to ensure that during the evaluation process all Technical Evaluation Panel (TEP) members are consistently using the terms “strengths, weaknesses, significant weaknesses, and deficiencies,” the definitions below will be used for evaluation purposes.

- **STRENGTH** – The proposal demonstrates capability, expertise, or knowledge which greatly increases the likelihood of the offeror’s successful contract performance.
- **WEAKNESS** – A flaw in the proposal that increases the risk of unsuccessful contract performance.
- **SIGNIFICANT WEAKNESS** – A flaw in the proposal that appreciably increases the risk of unsuccessful contract performance.
- **DEFICIENCY** – A material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level.

# Loan Servicing Scorecard

Attachment 1

Reporting Period: \_\_\_\_\_

GTR Contact: \_\_\_\_\_

Contractor: \_\_\_\_\_

Title: Secretary Held Mortgage Loan Servicing

Contract Number: \_\_\_\_\_

	Requirement & Performance Measure	"Satisfactory" Performance Threshold	Quarterly Performance (current)	Quarterly Outcome (sat or unsat)	Contract Period to Date Performance (%) to date)	Contract Period to Date Outcome (overall sat or unsat)
1.	<b>Mortgage Release:</b> Percentage of Mortgage Releases Sent for Recording No Later Than Fifteen (15) Business Days After Receipt of Request or Payoff (100% of the population will be reviewed) (5.3.20) <i>*A disincentive will be applied to the unsatisfactory performance of this requirement .</i>	97.00%		Not Yet Rated		Not Yet Rated
2.	<b>Subordinations:</b> Percentage of all subordinations processed pending expiration, notice of expiration issued to the requestor within five (5) business days of expiration date. (5.3.23)	97.00%		Not Yet Rated		Not Yet Rated
3.	<b>Wait Time for Callers:</b> Percentage of Callers Choosing to Speak with a CSR Whose Wait Time Is No More Than One (1) Minute for 90% of all calls received for the quarter. A <b>pass/fail</b> measurement will be used for this element. (5.7.1) <i>*A disincentive will be applied to the unsatisfactory performance of this requirement.</i>	Pass		Not Yet Rated		Not Yet Rated
4.	<b>Payment Processing:</b> The Contractor shall process all payments to Treasury or Deposit Only not later than the next business day after receipt. (5.3.1) <i>*A disincentive will be applied to the unsatisfactory performance of this requirement.</i>	97.00%		Not Yet Rated		Not Yet Rated
5.	<b>Annual Recertification/Occupancy Certification:</b> Percentage of Certifications Sent Not Later Than Thirty (30) Calendar Days Prior to Anniversary / Not Later Than Two (2) Business Days From After The Anniversary of The Occupancy Date; Not Later Than Two (2) Business Days of Notice (100% of the population will be reviewed) (5.4.1)	97.00%		Not Yet Rated		Not Yet Rated
6.	<b>Telecommunication System:</b> The telecommunication system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance. (5.7.17) <i>*A disincentive will be applied to the unsatisfactory performance of this requirement .</i>	97.00%		Not Yet Rated		Not Yet Rated
7.	<b>Partial Claim 61-day Notice:</b> Percentage of the individual PC 61-day Notice letter and spreadsheet is delivered accurately by the tenth (10) business day of the month. (5.6.4.1)	97.00%		Not Yet Rated		Not Yet Rated
8.	<b>Partial Claim Terminations Noted:</b> Percentage of terminations are updated in SMART within five (5) business days of receiving the termination report. (5.6.4.3) <i>*A disincentive will be applied to the unsatisfactory performance of this requirement.</i>	97.00%		Not Yet Rated		Not Yet Rated
9.	<b>Partial Claim Terminations to be Transferred to the Financial Operations Center (FOC):</b> Percentage of transferred loans from due and payable terminations to FOC within fifteen (15) business days of receiving the termination report (5.6.4.3) <i>*A disincentive will be applied to the unsatisfactory performance of this requirement.</i>	97.00%		Not Yet Rated		Not Yet Rated
10.	<b>Proof of Claims:</b> The Contractor shall prepare and file Proof of Claims not later than five (5) business days from notification of bankruptcy filing. (5.2.4)	90.00%		Not Yet Rated		Not Yet Rated

11. Attachment 1

Imaging: All correspondence received shall be date stamped upon receipt, imaged and attached at loan level within 10 business days of receipt. (5.1.4)	90%		Not Yet Rated		Not Yet Rated
Quarterly Rating:			Not Yet Rated	Contract Period to Date Rating:	Not Yet Rated

Scorec

- The Contractor shall have ten (10) business days after receiving the scorecard report to contact their GTR in writing if they believe that something is incorrect or that there is a data integrity issue. The Contractor must provide documentation to support their assertion(s).
- The GTR shall have five (5) business days to respond to the Contractor's concern(s).
- The Contractor shall have 5 business days to appeal the issue(s) to the Contracting Officer in writing. The Contractor must provide documentation to support their assertion(s).
- The Contracting Officer shall make a determination concerning the Contractor's appeal and advise the GTR and the Contractor of their decision within 5 business days.

Criteria	
Fail	Anything below the Satisfactory Performance Threshold (AQL) = UnSatisfactory rating (3 or more element below the Satisfactory
Pass	Anthing at or above the Satisfactory Perfomrance Threshold (AQL) = Satisfactory

## Secretary Held Policy and Directives Guidance

### LOAN TYPES — REGULATORY AND PROGRAM DIRECTIVES

**Assigned First Mortgages (Forward)**

**Purchase Money Mortgage (PPM)**

**235 Recapture Program**

**Partial Claim (PC) Subordinate Mortgage**

**Nehemiah Program**

**Good Neighbor Next Door Program (GNND)**

**Asset Control Area Program (ACA)**

**Hope for Homeowners Program (H4H)**

**Emergency Homeowner's Loan Program (EHLP)**

The following information provides a description and reference for regulatory guidance of the specific programs for the Secretary Held Loan Servicing Support Services. HUD regulations governing the programs are contained in the Single Family Housing Policy Handbook 4000.1 (SF Handbook). The link to the Online Policy Library can be found below:

[Online Housing Policy Library](#)

**Assigned First Mortgages (Forward):** First mortgages transferred to HUD through the previous Assignment Program, which provided forbearance relief for delinquent borrowers. The termination of the Assignment Program was effective as of April 26, 1996. HUD regulations governing the program are contained in Single Family Housing Policy Handbook 4000.1 (SF Handbook); other applicable Housing Notices, Mortgagee Letters; and any subsequent publications regarding the aforementioned loans, as well as verbiage in the Note, Mortgage or Deed of Trust. Assigned mortgages are serviced as traditional whole loans.

**Purchase Money Mortgage (PMM):** PMMs and Ferrell PMMs are direct loans from HUD to certain eligible borrowers and/or non-profit corporations. Ferrell PMMs were the result of a lawsuit in which borrowers were given an opportunity to avoid foreclosure. HUD allowed those borrowers to purchase a home from REO and provided second mortgages in cases where the properties cost was more than the original loan. HUD originates and services the loan debt for Servicing for all PMMs is based on the terms of the mortgage.

**235 Recapture Program:** The former 235 Mortgage Subsidy program provided monthly assistance payments to help low income borrowers afford homeownership. The Housing and Community Development Acts of 1980 and 1981 that changed Section 235 of the National Housing Act requires the Secretary of HUD to recapture all or a portion of the subsidy assistance payments when the mortgage is



terminated through payoff or sale of the property. Mortgages are subject to recapture where the firm commitment is dated on or after May 27, 1981 and are calculated by the Contractor.

**Partial Claim (PC) Subordinate Mortgage:** A Partial Claim, a loss mitigation tool, available to delinquent eligible borrowers, whereby HUD advances funds to the servicing lender to cover the delinquent arrearage for the borrower. In exchange, the borrower signs a subordinate note promising to pay HUD upon payoff or sale of the property. The Partial Claim as a loss mitigation option was first introduced in Mortgagee Letter (ML) 96-61, which has been superseded except for the model mortgage and note attachments. Servicing tasks are generally limited to collection of the note when the first mortgage is terminated through payoff or sale of the property.

**Nehemiah Program:** The Nehemiah Program, which has been terminated by HUD, was a down payment assistance program. These loans carry a second mortgage requiring repayment of all or a portion of the subsidized amount paid by HUD on behalf of the borrower. Payment of these mortgages is due upon sale or payoff of the first mortgage.

- Title VI of the Housing and Community Development Act of 1987 established the Nehemiah Housing Opportunity Grants Program (N HOP), which authorized HUD to make grants available to nonprofit organizations to enable them to provide loans to families purchasing homes that are constructed or substantially rehabilitated in accordance with a HUD-approved program.

**Good Neighbor Next Door Program (GNND):** As part of its commitment to preserve neighborhoods, HUD sells foreclosed homes in designated revitalization areas at a 50% discount to police officers, teachers, fire fighters and emergency medical personnel. Program participants must agree to occupy the subject properties for a period of three years. Program requirements call for second mortgages on these loans as a means to secure compliance with the occupancy requirement. Where program compliance is fulfilled, HUD releases the second mortgage without charge to the mortgage holder. Failure to comply with the terms required by the Program will result in collection activity and possible foreclosure. This program began as a Presidential Initiative in August 1997 for law enforcement officers. Housing Notice H 97-51 introduced the program. The definition of a law enforcement officer was expanded in Housing Notice H 97-73, issued in December 1997, increasing the number of officers eligible to participate in the OND program. Housing Notice H 99-30 further expanded the existing program to include Teachers and placed the requirement for a second note and mortgage effective as of November 18, 1999. The program was further expanded in 2006 to include firemen and emergency medical technicians.

**Asset Control Area Program (ACA):** This program provides for the discounted sale of HUD owned properties in designated revitalization areas to local government agencies or non-profit groups willing to rehabilitate the properties and resell them to income eligible borrowers who must agree to occupy the property for a defined period of time. The ACA program requires placement of two different second mortgages in a sequential order as a means to secure program compliance. A compliance note provides recourse in the event the non-profit fails to complete the rehabilitation or defaults on any of the other program requirements. The second enforcement note provides recourse against the eventual owner occupant purchaser of the property to ensure that the occupancy requirement is met. When program compliance is fulfilled, HUD releases the appropriate second mortgage without any charge to the non-profit or borrower.

- Initially implemented as a Demonstration Program in 1998 following enactment of Public Law 105-276 and strengthened in September of 2002.

**Hope for Homeowners (H4H):** This program was introduced as part of The Housing and Economic Recovery Act of 2008 (HERA). Under this program, a borrower facing difficulty with his or her mortgage were eligible to refinance into an affordable FHA-insured mortgage.

- At origination of an H4H mortgage prior to January 1, 2010, the borrower executed a Shared Equity note and mortgage (SEM) in favor of HUD with a fixed dollar amount inserted for initial equity. Initial equity was calculated as the difference between the HOPE mortgage balance and the appraised value at the time of HOPE loan origination. Based on the date of sale, disposition or refinance, HUD is entitled to a percentage of the initial equity pursuant to the schedule stated in the Shared Equity Mortgage. The SEM was recorded as a second priority lien against the property.
- At origination prior to January 1, 2010, the borrower executed a shared Appreciation note and mortgage (SAM) in favor of HUD representing fifty percent (50%) interest in future appreciation. Based on the date of a sale, disposition or refinance, HUD is entitled to receive fifty percent (50%) in future appreciation with a subordinate lien holder(s) who met specific criteria for the HOPE mortgage. The SAM was recorded as a third priority lien against the property.
- All H4H mortgages originated on or after January 1, 2010, an Exit Premium Mortgage (EPM) replaced the SEM and the SAM. Based on the date of sale, disposition or refinance, HUD is entitled to a percentage of the initial equity pursuant to schedule state in the EPM.

**Emergency Home Loan Program (EHL):** The Dodd-Frank Wall Street Reform and Consumer Protection Act provided \$1 billion to the U.S. Department of Housing and Urban Development (HUD) to implement the Emergency Homeowners' Loan Program (EHL). The program offered a declining balance, deferred payment loan (non-recourse, subordinate loan with zero interest) for up to \$50,000 to assist eligible homeowners with payments of arrearages, including:

- Delinquent mortgage payments (principal and interest); and
- Delinquent taxes and mortgage insurance and hazard insurance premiums; and
- Condominium or homeowner's association fees; and
- Late fees assessed by the lender/servicer; and
- Certain, foreclosure-related attorney's fees; and
- Lender inspection fees, when required under FHA regulations (24 CFR 203.377) for properties with FHA-insured mortgages that are in default.

In addition to payment of arrearages, EHL funds were to be used to assist eligible borrowers to make payments of principal, interest, taxes and insurance (PITI) owed on their first mortgage. Program assistance was provided to eligible borrowers for the greater of either:

- A maximum period of 24 months, or
- A maximum of \$50,000 in mortgage payment assistance, whichever occurred first.

Under EHL, HUD assisted eligible borrowers in Puerto Rico and the 32 states not assisted under the U.S. Treasury's Innovation Fund for Hardest Hit Housing Markets program. The methodology for determining the amount of EHL assistance that would be allocated to each state was based, in part, on each respective state's relative unemployment measures.

After the first payment was made on behalf of the borrower, the fiscal agent created an open-ended "HUD Note" and mortgage in the name of the Secretary of the HUD of sufficient size to accommodate the expected amount of the assistance to be provided to homeowner. Approved applicants were required to sign the HUD Note and mortgage agreeing to repay in full the principal balance of funds loaned to their household through the EHL Program, either \$50,000 or any amount between \$0.00 and

## Attachment 2

\$50,000, whichever is lesser and reflects the actual amount loaned to the borrower. The final balance of the loan was provided to the NSC or it's Contractor via electronic upload termination of assistance had been made for a given borrower, per program terms and policies described. The mortgage was recorded by the EHLF Fiscal Agent as a subordinate lien to the borrower's first mortgage.

# Servicing Matrix

Major Functions	Tasks	Secretary Held	Partial Claim	235 Insured	Nehemiah	H4H	GNND	ACA Compliance	ACA Enforcement	EHLP
Customer Service	Inquiries	x	x	x	x	x	x	x	x	x
	Recertification	x				x	x			x
	Correspondence	x	x	x	x	X	x	x	x	x
Document Custodian	Scanning	x	x	x	x	x	x	x	x	x
	Storing	x	x	x	x	x	x	x	x	x
	Archiving	x	x	x	x	x	x	x	x	x
Cash Management	MIP Refunds									
	Disbursements	x								
	Payments	x	x	x	x	x	x	x	x	x
	Postings	x	x	x	x	x	x	x	x	x
Servicing Activities	Payoffs	x	x	x	x	x	x	x	x	x
	Recasting	x								
	Partial Release	x								x
	Refinance	x		x		x	x			x
	Modifications	x					x			
	Assumptions	x								
	Subordination		x				x			x
	Release Liability	x	x	x	x		x	x	x	x
Delinquency	Defaults	x	x			x	x	x	x	x
	Collection Activities	x	x	x	x	x	x	x	x	x
	Foreclosure	x	x				x			
	Late Charges	x								
	Bankruptcy	x	x	x	x	x	x	x	x	x
Loss Mitigation	Forbearance	x	x							
	Loan Modification	x								
	Partial Claim									
	PFS	x								
	Deed in lieu	x								
Foreclosure	Inspections	x				x	x	x	x	x
	Conveyance	x	x		x					
	Eviction	x								
	Litigation Monitoring	x	x		x	X	x	x	x	x

**Table 1.0 System Security, Privacy, and Authentication Requirements and Internal Control Reviews  
Applicable to Service Organizations Performing Outsourced HUD Financial Management Functions**

Requirement	Reference	Deliverable	Frequency	Responsibility
Internal Controls Assessment	OMB Circular A-123, Management's Responsibility for Internal Control	A-123 Self-Assessment	Annually	Service Organization Contractor Assists with Information, Documents, and Access to Facilities
Review of Business Process Controls	Statement on Standards for Attestation Engagements No. 16 (SSAE 16) Reporting on Controls at a Service Organization	SSAE 16, SOC 1, Type II independent audit	Annually	An Independent Auditor Hired by the Service Organization Contractor
Financial Management System Assessment	OMB Circular A-127, Financial Management Systems	A-127 Self-Assessment	Annually	Service Organization Contractor Assists with Information, Documents, and Access to Facilities

## Attachment 4

Requirement	Reference	Deliverable	Frequency	Responsibility
Security Assessment	Federal Security Standard: NIST Special Publication 800-53 Revision 1, HUD Handbook 2400.25 Information Technology Security Policy	Report on Selected Controls	Annually	Service Organization Contractor
System Security Plan	Federal Security Standard: NIST Special Publication 800-18 Revision 1, HUD Handbook 2400.25 Information Technology Security Policy	System Security Plan	Start Up, with Updates at Least Annually, and Whenever Security Processes and Procedures Change	Service Organization Contractor
System Test and Evaluation (ST&E)	Federal Security Standard: NIST Special Publications 800-37, 800-53, 800-53a  HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide.	Independent System Test and Evaluation (ST&E);  Security Controls Assessment Report (SCAR);	Start Up, and at Least Every Three Years Thereafter	An Independent Evaluator Hired by the Service Organization Contractor
Remedial Plans to Address Deficiencies Identified in the ST&E	Federal Security Standard: NIST Special Publications 800-37, 800-53, 800-53a  HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide.	Plan of Action and Milestones (POA&M)	Quarterly	Service Organization Contractor

Attachment 4

Requirement	Reference	Deliverable	Frequency	Responsibility
Continuity of Operations	Federal Security Standard: NIST Special Publication 800-34, HUD Handbook 2400.25 Information Technology Security Policy	Contingency Plan; Contingency Plan Test	Start Up, with Updates Annually	Service Organization Contractor
Security Self-Assessment	Federal Security Standard: NIST Special Publication 800-26, 800-53, 800-53a  HUD Handbook 2400.25 Information Technology Security Policy	Self-Assessment	Annually	Service Organization Contractor
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	Service Organization Contractor Assists with Information and Documentation
Penetration Testing	Federal Security Standard: NIST Special Publications 800-41, 800-42, 800-44, HUD Handbook 2400.25 Information Technology Security Policy	Penetration Test Report	Annually	Service Organization Contractor
IT Security Training services	Federal Security Standard: NIST Special Publication 800-16, OMB Memorandums M06-15 and M06-16, HUD Handbook 2400.25 Information Technology Security Policies and the Federal Information Security Management Act (FISMA), Public Law 107-347.	Training	Annually	Service Organization Contractor

Attachment 4

Requirement	Reference	Deliverable	Frequency	Responsibility
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974 HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Records of Release of Information and Procedures for Correction and Data Quality Assurance	Continuous Operation	Service Organization Contractor
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974 HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Technical and Procedural Protections	Continuous Operation	Service Organization Contractor
Privacy Act	Federal Privacy Standard: E-Government Act of 2002, OMB Memorandum 03-22, Privacy Impact Assessment Questionnaire (See <a href="http://www.hud.gov/offices/cio/privacy/pia/pia.cfm">http://www.hud.gov/offices/cio/privacy/pia/pia.cfm</a> )	Privacy Impact Assessment (PIA) Questionnaire	Start Up, with Updates Annually	Service Organization Contractor
E-Authentication	Federal Authentication Standard: OMB Memorandum M-04-4, NIST Special Publication 800-30, HUD Handbook 2400.25 Information Technology Security Policy	Identity verification or authentication for public access	Continuous Operation	Service Organization Contractor
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	Service Organization Contractor Assists with Information and Documentation



Attachment 4

Requirement	Reference	Deliverable	Frequency	Responsibility
Configuration Controls	HUD Configuration Control Standard: HUD Handbook 2400.25 Ver-1, ADP/Information Security Program Handbook	Configuration Management Plan	Start Up, and Whenever Configuration Processes and Procedures Change	Service Organization Contractor

**Table 2.0 System Security, Privacy, and Authentication Requirements and Internal Control Reviews  
Applicable to HUD Program Offices that Rely Upon Outsourced Financial Management Functions**

<b>Requirement</b>	<b>Reference</b>	<b>Deliverable</b>	<b>Frequency</b>	<b>Responsibility</b>
Internal Controls Assessment	OMB Circular A-123, Management's Responsibility for Internal Control	A-123 Self-Assessment	Annually	HUD Program Office, with Assistance from Service Organization Contractor
Financial Management System Assessment	OMB Circular A-127, Financial Management Systems	A-127 Self-Assessment	Annually	HUD Program Office, with Assistance from Service Organization Contractor
Security Categorization	Federal Security Standard: NIST Special Publication 800-60, FIPS 199, HUD Handbook 2400.25 Information Technology Security Policy	Rating (High, Medium, Low) for Confidentiality, Integrity, and Availability	At System Start Up	HUD Program Office
Business Impact Assessment	Federal Security Standard: NIST Special Publication 800-34, HUD Handbook 2400.25 Information Technology Security Policy	Business Impact Assessment	Start Up, with Updates Annually	HUD Program Officer
Risk Assessment	Federal Security Standard: NIST Special Publication 800-30, HUD Handbook 2400.25 Information Technology Security Policy	Risk Assessment and Risk Management Plan	Start Up, with Updates Annually	HUD Program Office

## Attachment 4

Requirement	Reference	Deliverable	Frequency	Responsibility
Certification and Accreditation (C&A)	Federal Security Standards: NIST Special Publications 800-37, 800-53, 800-53a  HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide	Memorandum by the Assistant Secretary Accepting the System for Operation	Start Up, and at Least Every Three Years Thereafter	HUD Program Office
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	HUD Program Office, with Assistance from Service Organization Contractor
IT Security Training services	Federal Security Standard: NIST Special Publication 800 – 16, OMB Memorandums M06-15 and M06-16, HUD Handbook 2400.25 Information Technology Security Policies and the Federal Information Security Management Act (FISMA), Public Law 107-347.	Training	Annually	HUD Program Office
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974  HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Notice of System of Record	Start Up, and Whenever the Use of Personally Identifiable Information Changes	HUD Program Office
E-Authentication	Federal Authentication Standard: OMB Memorandum M-04-4, NIST Special Publication 800-30, HUD Handbook 2400.25 Information Technology Security Policy	E-Authentication Risk Assessment Report	Start Up, and Annually	HUD Program Office

**Quality Assurance Surveillance Plan (QASP)**  
**Secretary Held Loan Servicing**  
12/28/2016  
Version 1.0

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# Quality Assurance Surveillance Plan (QASP)

## Secretary Held Loan Servicing

### 1 Vision

Provide professional, effective, and comprehensive loan servicing for a variety of HUD held mortgage loans, notes, and security instruments while maintaining a high standard of customer service

### 1 INTRODUCTION

This Quality Assurance Surveillance Plan (QASP) is pursuant to the requirements listed in the Performance Work Statement (PWS) entitled Secretary Held Loan Servicing. This plan sets forth the procedures and guidelines the National Servicing Center will use in ensuring the required performance standards or service levels are achieved by the Contractor.

#### 1.1 Purpose

1.1.1 The purpose of the QASP is to describe the systematic methods used to monitor performance and to identify the required documentation and the resources to be employed. The QASP provides a means for evaluating whether the Contractor is meeting the performance standards/quality levels identified in the PWS and the Contractor's Quality Control Plan (QCP), and to ensure that the Government pays only for the level of services received.

1.1.2 This QASP defines the roles and responsibilities of all members of the Integrated Project Team (IPT), identifies the performance objectives, defines the methodologies used to monitor and evaluate the Contractor's performance, describes quality assurance documentation requirements, and describes the analysis of quality assurance monitoring results.

#### 1.2 Performance Management Approach

1.2.1 The PWS structures the acquisition around "what service or quality level is required", as opposed to "how the Contractor should perform the work" (i.e., results, not compliance). This QASP will define the performance management approach taken by National Servicing Center to monitor and manage the Contractor's performance to ensure the expected outcomes or performance objectives communicated in the PWS are achieved. Performance management rests on developing a capability to review and analyze information generated through performance assessment. The ability to make decisions based on the analysis of performance data is the cornerstone of performance management; this analysis yields information that indicates whether expected outcomes for the project are being achieved by the Contractor.

1.2.2 Performance management represents a significant shift from the more traditional Quality Assurance (QA) concepts in several ways. Performance management focuses on assessing whether outcomes are being achieved and to what extent. This approach migrates away from scrutiny of compliance with the processes and practices used to achieve the outcome. A performance-based approach enables the Contractor to play a large role in how the work is performed, as long as the proposed processes are within the stated constraints. The only exceptions to process reviews are those required by law (federal, state, and local) and compelling business situations, such as safety and health. A "results focus" provides the Contractor flexibility to continuously improve and innovate over the course of the contract as long as the critical outcomes expected are being achieved and/or the desired performance levels are being met.

### **1.3 Performance Management Strategy**

1.3.1 The Contractor is responsible for the quality of all work performed. The Contractor measures that quality through the Contractor's own Quality Control (QC) program. QC is work output, not workers, and therefore includes all work performed under this contract regardless of whether the work is performed by Contractor employees or by subcontractors. The Contractor's QCP will set forth the staffing and procedures for self-inspecting the quality, timeliness, responsiveness, customer satisfaction, and other performance requirements in the PWS. The Contractor will develop and implement a performance management system with processes to assess and report its performance to the designated government representative. This QASP enables the Government to take advantage of the Contractor's QC program.

1.3.2 The Government representative(s) will monitor performance and review performance reports furnished by the Contractor to determine how the Contractor is performing against communicated performance objectives. The Contractor will be responsible for making required changes in processes and practices to ensure performance is managed effectively.

## **2 ROLES AND RESPONSIBILITIES**

The following personnel shall oversee and coordinate surveillance activities.

### **2.1 The Contracting Officer**

The Contracting Officer (CO) is responsible for monitoring contract compliance, contract administration, and cost control and for resolving any differences between the observations documented by the Government Technical Representative (GTR) and the Contractor. The CO will designate one full-time GTR as the government authority for performance management. The number of additional representatives serving as technical inspectors depends on the complexity of the services measured, as well as the Contractor's performance, and must be identified and designated by the CO.

### **2.2 The Government Technical Representative**

The GTR is designated in writing by the CO to act as his or her authorized representative to assist in administering a contract. GTR limitations are contained in the written appointment letter. The GTR is responsible for technical administration of the project and ensures proper government surveillance of the Contractor's performance.

The GTR is not empowered to make any contractual commitments or to authorize any contractual changes on the Government's behalf. Any changes that the Contractor deems may affect contract price, terms, or conditions, shall be referred to the CO for action. The GTR will have the responsibility for completing QA monitoring forms used to document the inspection and evaluation of the Contractor's work performance.

Government surveillance may occur under the inspection of services clause for any service relating to the contract.

### **3 IDENTIFICATION OF REQUIRED PERFORMANCE STANDARDS/QUALITY LEVELS**

The required performance standards and/or quality levels are included in the PWS and in Appendix 1, "Surveillance Matrix". If the Contractor meets the required service or performance level, it will be paid the monthly amount agreed on in the contract.

### **4 METHODOLOGIES TO MONITOR PERFORMANCE**

HUD will develop a quality assurance plan to be used to provide contract oversight. The plan will include various methods of assessing performance, including 100% review of some documents and partial sampling of others. HUD also performs on-site or desk reviews based upon the risk category assigned to the Contractor. Quarterly on-site desk reviews will be conducted. However, HUD reserves the right to perform an on-site review at any time on any performance requirement in the contract without notice.

#### **4.1 Surveillance Techniques**

In an effort to minimize the performance management burden, simplified surveillance methods shall be used by the Government to evaluate Contractor performance when appropriate. The primary methods of surveillance are

- 100% Inspection - Each month, the GTR, shall review the generated documentation and enter summary results into the Surveillance Activity Checklist.
- Periodic Inspection - The GTR typically performs the periodic inspection on a monthly basis.
- Customer Feedback

#### **4.2 Customer Feedback**

The Contractor is expected to establish and maintain professional communication between its employees and customers. The primary objective of this communication is customer satisfaction. Customer satisfaction is the most significant external indicator of the success and effectiveness of all services provided and can be measured through customer complaints.

Performance management drives the Contractor to be customer focused through initially and internally addressing customer complaints and investigating the issues



and/or problems. The customer always has the option to communicate complaints to the CO and/or GTR, as opposed to the Contractor.

Customer complaints, to be considered valid, must set forth clearly and in writing the detailed nature of the complaint, must be signed, and must be forwarded to the GTR. Customer feedback may also be obtained either from the results of formal customer satisfaction surveys or from random customer complaints.

### **4.3 Acceptable Quality Levels**

The Acceptable Quality Levels (AQLs) included in Appendix 1, "Surveillance Matrix", for Contractor performance are structured to allow the Contractor to manage how the work is performed. For certain critical activities such as those involving the desired performance level is established at 100 percent. Other levels of performance are keyed to the relative importance of the task to the overall mission performance.

## **5 QUALITY ASSURANCE DOCUMENTATION**

### **5.1 The Performance Management Feedback Loop**

The performance management feedback loop begins with the communication of expected outcomes. Performance standards are expressed in the PWS and are assessed using the performance monitoring techniques shown in Appendix 1.

### **5.2 Monitoring Forms**

The Government's QA surveillance, accomplished by the GTR, may be reported using the following monitoring forms: Appendix 2 - "Corrective Action Report (CAR)", Appendix 3 - "Customer Complaint Record", and Appendix 4 "Performance Assessment Report" (PAR). The forms, when completed, will document the Government's assessment of the Contractor's performance under the contract to ensure that the required results are being achieved. The GTR will retain a copy of all completed QA surveillance forms.

## **6 ANALYSIS OF QUALITY ASSURANCE ASSESSEMENT**

### **6.1 Determining Performance**

The Government will use the monitoring methods cited to determine whether the performance standards/service levels/AQLs have been met. If the Contractor has not met the minimum requirements, it may be asked to develop a corrective action plan to show how and by what date it intends to bring performance up to the required levels.

### **6.2 Reporting**

At the end of each month, the GTR/GTM will prepare a written report for the GTR summarizing the overall results of the quality assurance surveillance of the Contractor's performance. This written report, which includes the Contractor's submitted monthly report and the completed quality assurance monitoring forms, will become part of the QA documentation. It will enable the Government to demonstrate whether the

Contractor is meeting the stated objectives and/or performance standards, including cost/technical/scheduling objectives.

### **6.3 Reviews and Resolution**

6.3.1 The GTR may require the Contractor's project manager, or a designated alternate, to meet with the CO, GTM and/or other Government IPT personnel as deemed necessary to discuss performance evaluation. The GTR will define a frequency of in-depth reviews with the Contractor, including appropriate self-assessments by the Contractor; however, if the need arises, the Contractor will meet with the GTR as often as required or per the Contractor's request. The agenda of the reviews may include:

- Monthly performance assessment data and trend analysis,
- Issues and concerns of both parties,
- Projected outlook for upcoming months and progress against expected trends, including a corrective action plan analysis,
- Recommendations for improved efficiency and/or effectiveness,

6.3.2 The CO and GTR must coordinate and communicate with the Contractor to resolve issues and concerns regarding marginal or unacceptable performance.

6.3.3 The GTR and Contractor should jointly formulate tactical and long-term courses of action. Decisions regarding changes to metrics, thresholds, or service levels should be clearly documented. Changes to service levels, procedures, and metrics will be incorporated as a contract modification at the discretion of the CO.

### **6.4 Surveillance Matrix**

The Surveillance Matrix (Appendix 1) is the list of performance objectives and standards that must be performed by the Contractor. This matrix details the method of surveillance the GTR will use to validate and inspect these performance elements. Inspection of each element will be documented in the GTR file.

Performance objectives define the desired outcomes. Performance standards define the level of service required under the contract to successfully meet the performance objective. The inspection methodology defines how, when, and what will be assessed in measuring performance. The Government performs surveillance, using this QASP, to determine the quality of the Contractor's performance as it relates to the performance element standards. The PRS should be used to form the foundation of the GTR's inspection checklist.

In evaluating the quality of contractor's performance, the following performance ratings may be used.

<b>Performance Rating</b>	<b>Criteria</b>
Excellent / Outstanding	Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor was highly effective.
Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor was effective.
Satisfactory	Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.
Marginal	Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.
Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.

Loan Servicing Scorecard		Reporting Period	GTR Contract:			
		Contractor:	Title:			
		Contract Number:	Security Home Mortgage Loan Servicing			
	Requirements/Performance Measure	"Satisfactory" Performance Threshold	Quarterly Performance (current)	Quarterly Unscored (past or unused)	Contract Period to Date Performance (% to date)	Contract Period to Date Unscored (past or unused)
1.	<b>Mortgage Release:</b> Percentage of Mortgage Releases Sent for Recording No later Than Fifteen (15) Business Days After Receipt of Request for Payoff (100% of the population will be reviewed) (38.20) <i>'A disincentive will be applied to the unsatisfactory performance of this requirement.'</i>	97.00%		Not Yet Rated		Not Yet Rated
2.	<b>Subordinations:</b> Percentage of all subordination processes pending expiration, notice of expiration is used to the requestor within the (3) business days of expiration date. (38.23)	97.00%		Not Yet Rated		Not Yet Rated
3.	<b>Wait Time for Calls:</b> Percentage of Callers Choosing to Speak with a CSR Whose Wait Time is No More Than One (1) Minute for 80% of all calls received for the quarter. A pass/fail measurement will be used for this element. (37.1) <i>'A disincentive will be applied to the unsatisfactory performance of this requirement.'</i>	Pass		Not Yet Rated		Not Yet Rated
4.	<b>Payment Processing:</b> The Contractor shall process all payments to Treasury or Depository not later than the next business day after receipt. (38.1) <i>'A disincentive will be applied to the unsatisfactory performance of this requirement.'</i>	97.00%		Not Yet Rated		Not Yet Rated
5.	<b>Annual Recertification/ Occupancy Certification:</b> Percentage of Certifications Sent Not later Than Thirty (30) Calendar Days Prior to Anniversary of Not later Than Two (2) Business Days From After The Anniversary of The Occupancy Date; Notice Not later Than Two (2) Business Days of Notice (100% of the population will be reviewed) (38.1)	97.00%		Not Yet Rated		Not Yet Rated
6.	<b>Telecommunication System:</b> The telecommunication system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance. (37.17) <i>'A disincentive will be applied to the unsatisfactory performance of this requirement.'</i>	97.00%		Not Yet Rated		Not Yet Rated
7.	<b>Rental Claim 5-day Notice:</b> Percentage of the individual PC61-day Notice letters not spread sheeted and delivered accurately by the tenth (10) business day of the month.	97.00%		Not Yet Rated		Not Yet Rated
8.	<b>Rental Claim Terminations Noted:</b> Percentage of terminations are updated in S-WAFT within the (3) business days of receiving the termination report. (38.8.2) <i>'A disincentive will be applied to the unsatisfactory performance of this requirement.'</i>	97.00%		Not Yet Rated		Not Yet Rated
9.	<b>Rental Claim Terminations to be Transferred to the Financial Operations Center (FOC):</b> Percentage of transferred loans formed and payable terminations to FOC within fifteen (15) business days of receiving the termination report. (38.8.2) <i>'A disincentive will be applied to the unsatisfactory performance of this requirement.'</i>	97.00%		Not Yet Rated		Not Yet Rated
10.	<b>Proof of Claims:</b> The Contractor shall prepare and file Proof of Claims not later than the (3) business days from notification of bankruptcy filing. (38.9.1)	90.00%		Not Yet Rated		Not Yet Rated
11.	<b>Imaging:</b> All completed once received shall be date stamped upon receipt, imaged and attached at loan level within 30 business days of receipt. (38.9)	90%		Not Yet Rated		Not Yet Rated
			Quarterly Rating:	Not Yet Rated	Contract Period to Date Rating:	Not Yet Rated
Score:						
1. The Contractor shall have ten (10) business days after receiving the scorecard report to contact the GTR in writing if they believe the scorecard is incorrect or that there is a data integrity issue. The Contractor must provide documentation to support their assertion(s). 2. The Contractor shall have the (3) business days to respond to the Contractor's concerns. 3. The Contractor shall have 3 business days to appeal the issue(s) to the Contracting Officer in writing. The Contractor must provide documentation to support their				Criteria		
			Fail	Anything below the Satisfactory Performance Threshold (AQJ) = Unsatisfactory rating. (3 or more elements below the		
			Pass	Anything at or above the Satisfactory Performance Threshold (AQJ) = Satisfactory		

## Appendix 1 - Surveillance Matrix

PWS	Statement	Standards/AQLs	Inspections	Disincentive
5.1.4	Correspondence	<p>a) All correspondence received shall be date stamped upon receipt, imaged and attached at loan level, including the envelope, within 10 business days of receipt.</p> <p>AQL: 97% of all servicing correspondence is date stamped, imaged and attached at a loan level within 10 business days of receipt.</p>	<p><b>What:</b> Servicing Files  <b>How:</b> Servicing files will be pulled by random sample from tasks completed in the month for loan level inspection. The servicing files will be compared to the system for validation.  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A
5.1.7	Escalated Correspondence	<p>a) The Contractor shall respond to all escalated correspondence no later than five (5) business days from receipt of the correspondence.</p> <p>AQL: No deviation to the standard.</p>	<p><b>What:</b> Escalated Correspondence Log Report  <b>How:</b> Monthly report to be reviewed  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A

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5.1.8	Governmental Inquiries	<p>a) The Contractor shall respond to all Governmental Inquiries no later than two (2) business days from receipt of the correspondence.</p> <p>AQL: No deviation to the standard.</p>	<p><b>What:</b> Governmental Inquiries Log Report  <b>How:</b> Monthly report to be reviewed  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A
5.1.9	Certificate of Indebtedness	<p>a) The Contractor shall process all requests from OGC for a Certificate of Indebtedness within two (2) business days from receipt of request.</p> <p>AQL: No deviation to the standard.</p>	<p><b>What:</b> COIs Completed  <b>How:</b> Random Sample of Completed COIs for the month  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A
5.2.4	Proof of Claims	<p>a) Standard: The Contractor shall accurately prepare and file proof of claims no later than five (5) business days from notification of the bankruptcy filing.  AQL: 97% of the proof of claims were prepared accurately and within five business days from notification of the bankruptcy filing.</p> <p>b) Standard: The Contractor shall image the proof of claims both prior to filing and upon receipt of recorded claim.  AQL: 97% of the proof of claims were imaged as required.</p>	<p><b>What:</b> Bankruptcy Monitoring Report  <b>How:</b> Report vs System of Record  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A

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5.2.6	New Loan Boarding	<p>a) The Contractor shall board all new loans no later than two (2) business days from receipt, including loans that require manual establishment.</p> <p>AQL: 97% of all new loans were boarded no later than two (2) business days from receipt.</p>	<p><b>What:</b> New Loans Boarded  <b>How:</b> System of record to SFDW  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A
5.3	Payoff Requests	<p>a) Standard: The Contractor shall process payoff requests no later than two (2) business days from receipt of a request.</p> <p>AQL: 97% of the payoff requests were processed within two business days from receipt of request.</p>	<p><b>What:</b> Payoff requests Report  <b>How:</b> Report review vs System of Record  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards.</p>	For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice amount and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.
5.3.1	Payments Received	<p>a) Standard: The Contractor shall process all payments to Treasury not later than the next business day after receipt or by deposit only for funds being transferred to the Chief Financial Officer at HUD.</p> <p>AQL: 97% of all payments were processed not later than the next business day after receipt.</p>	<p><b>What:</b> Monthly Log of payments received  <b>How:</b> Monthly Log vs OTCNet and Deposit Only Bank Reconciliation  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards.</p>	For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice amount and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.
5.3.7	Cash	a) Standard: The Contractor shall	<p><b>What:</b> Cash Reconciliation Report  <b>How:</b> Review report vs OTCNET</p>	N/A

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	Reconciliation	perform cash reconciliation on a daily and monthly basis. Cash reconciliations must be delivered no later than the fifth (5) business day of each month. b) Standard: Variance correction shall be corrected/cleared within fifteen (15) calendar days of identification. AQL: No deviation to the standard.	Deposit ticket and Cash Report <b>Frequency: Monthly</b> <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards.	
5.3.8	Bank Reconciliations	a) Standard: The Contractor shall submit bank statements and reconciliations no later than the tenth (10) business day of the month to the GTR. AQL: No deviation to the standard.	<b>What:</b> Bank Statements and Reconciliation <b>How:</b> Statement Review <b>Frequency: Monthly</b> <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards	N/A
5.3.20	Releases	a) Standard: The Contractor shall prepare, execute and submit for recordation all satisfaction of liens (releases) within fifteen (15) business days of notification that a release is needed.  AQL: 97% of all releases shall be prepared, executed and submitted for recordation within fifteen (15) business days of notification that a release is needed.	<b>What:</b> Monthly Release Report <b>How:</b> Report review vs System of Record <b>Frequency: Monthly</b> <b>Who:</b> Monitoring Team <b>Standard(s):</b> Inspection applies to all standards	For each percentage point below the standard, the disincentive is 1% of the Contractor's Invoice amount and applied to the quarter tested. In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.
5.3.21	Release Tracking	a) The Contractor shall document release activity within five (5)	<b>What:</b> Release report <b>How:</b> Report review vs System of	N/A



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	and Correction	<p>business days of receipt.</p> <p>AQL: 97% of all release activity was documented at a loan level, in the appropriate servicing system within five (5) business days.</p> <p>b) The Contractor shall correct and send rejected releases for recording with two (2) business days of receipt of reject.</p> <p>AQL: 97% of all rejected releases shall be corrected and sent for recordation within two (2) business days of notification of reject.</p>	<p>Record</p> <p><b>Frequency: Monthly</b></p> <p><b>Who: Monitoring Team</b></p> <p><b>Standard(s):</b> Inspection applies to all standards.</p>	
5.3.22	Write-offs	<p>a) Standard: Contractor shall submit complete write-off package to HUD within five (5) business days of notification to write-off.</p> <p>AQL: 97% submit write-off package within five (5) business days of notification.</p> <p>b) Contractor shall correct complete the appropriate transaction within two (2) business days of receipt of approval.</p> <p>AQL: 97% of all write-off transactions are completed within</p>	<p><b>What:</b> Notification of Write-off needed</p> <p><b>How:</b> Review notifications vs approval and review System of Record</p> <p><b>Frequency: Monthly</b></p> <p><b>Who:</b> Monitoring Team</p> <p><b>Standard(s):</b> Inspection applies to all standards.</p>	N/A

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		two (2) business days of receipt of approval.		
5.3.23	Subordinations	<p>a) Standard: The Contractor shall review and process subordinations within five (5) business days of receipt.</p> <p>AQL: 97% of all subordinations were processed within five business days of receipt.</p> <p>b) Standard: The Contractor shall issue a notice of expiration to the requestor within five (5) business days of expiration date.</p> <p>AQL: 97% of all notices were issued within five business days if applicable..</p>	<p><b>What:</b> Subordination Request Report  <b>How:</b> Report vs System of Record  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A
5.4.1	Occupancy Certifications	<p>a) Standard: The Contractor shall send annual occupancy certifications accurately and at least thirty (30) calendar days prior to the anniversary of the occupancy certification due date.</p> <p>AQL: 97% of all occupancy letters were sent at least thirty calendar days prior to the anniversary of the occupancy certification due date.</p>	<p><b>What:</b> Query Annual Occupancy Servicing Step  <b>How:</b> System notes vs certifications sent  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A

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5.5.2	Asset Sales	<p>a) Standard: The Contractor shall accurately identify loans with partial claims found on the 601 Asset Sales list within three (3) business days of receiving sales list from GTR/GTM.</p> <p>AQL: No deviation to standard.</p> <p>b) Standard: The Contractor shall generate a Good Bye Letter and send to borrower within 10 days of file transfer.</p> <p>AQL: 97% of all Good Bye Letters are sent to the borrower within 10 days of file transfer completion.</p>	<p><b>What:</b> Asset Sales PC List  <b>How:</b> System of record vs List  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A
5.6.3.2	H4H Monitoring	<p>a) Standard: Contractor shall report violations to GTR/GTM no later than two (2) business days of the anniversary date, or as otherwise directed within HUD's guidance.</p> <p>AQL: 97% of the violations were reported to the GTR/GTM within two (2) business days of the anniversary date.</p>	<p><b>What:</b> Lien Search Report  <b>How:</b> Lien Search Report Vs System of Record  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	N/A
5.6.4.1	61-day Notice Letters	<p>a) Standard: The Contractor shall deliver accurate individual 61-day notice letters and spreadsheets by the tenth (10) business day of the</p>	<p><b>What:</b> 61 Day Letters and Spreadsheets  <b>How:</b> Review Sampling  <b>Frequency:</b> Monthly</p>	N/A

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		<p>month.</p> <p>AQL: 97% of the 61-day notice letters and spreadsheets were accurately delivered by the tenth (10) business day of the month.</p>	<p><b>Who:</b> Monitoring Team</p> <p><b>Standard(s):</b> Inspection applies to all standards</p>	
5.6.4.2	Reimbursement Requests	<p>a) Standard: Deliver accurate individual Reimbursement Request Letters and spreadsheets to the Servicer/Holder by the seventh (7) business day of the month.</p> <p>AQL: 97% of the reimbursement request letters and spreadsheets were accurately delivered by the seventh (7) business day of the month.</p> <p>b) Standard: Following expiration of Reimbursement Letter one (1) deliver accurate individual Reimbursement Request Letter two (2) and spreadsheets to the Servicer/Holder within seven (7) business days after expiration of the first letter.</p> <p>AQL: 97% of the reimbursement request letter 2 and spreadsheets were accurately delivered within seven (7) business days after expiration of the first letter.</p>	<p><b>What:</b> Reimbursement Requests</p> <p><b>How:</b> Review sampling</p> <p><b>Frequency:</b> Monthly</p> <p><b>Who:</b> Monitoring Team</p> <p><b>Standard(s):</b> Inspection applies to all standards</p>	N/A
5.6.4.3	Terminations	<p>a) Standard: The Contractor shall update SMART with terminations</p>	<p><b>What:</b> Termination Report</p> <p><b>How:</b> Termination Report Vs</p>	Any deviation of the standard shall result in a disincentive of

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		<p>within five (5) business days of receiving the termination report</p> <p>AQL: 97% of all terminations were noted in the system within five business days of receiving the termination report.</p> <p>b) Standard: Transfer due and payable terminations to FOC within fifteen (15) business days of receiving the termination report</p> <p>AQL: 97% of all terminations were correctly transferred to the FOC within fifteen (15) business days of receiving the termination report.</p>	<p>System of Record</p> <p><b>Frequency: Monthly</b></p> <p><b>Who: Monitoring Team</b></p> <p><b>Standard(s):</b> Inspection applies to all standards</p>	<p>1% of the Contractor's invoice amount for the CLIN and applied to the quarter reviewed.</p> <p>In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.</p> <p>*Standards A and B will be reviewed individually. If the performance is less than the standard on both elements, the Contractor's invoice shall be charged for two (2) elements.</p>
5.7.1	Wait Time	<p>a) Standard: The average wait time for all callers who choose to speak to a Customer Service Representative shall be no more than one (1) minutes for 90% of all calls received for the quarter. AQL: No deviation from standard.</p> <p>b) Standard: The average wait time for all callers to speak to a Loss Mitigation specialist (warm transfer) shall be no more than two (2) minutes for 90% of all calls received for the quarter.</p>	<p><b>What: Month End Report Review</b></p> <p><b>How: Report Review</b></p> <p><b>Frequency: Monthly</b></p> <p><b>Who: Monitoring Team</b></p> <p><b>Standard(s):</b> Inspection applies to all standards</p>	<p>Any deviation of the standard shall result in a disincentive of 1% of the Contractor's invoice amount for the CLIN and applied to the quarter reviewed and the contractor shall bear the cost of the penalty and interest paid to the mortgagor.</p> <p>In no event shall the disincentive exceed a maximum of 6% per quarter for applicable CLIN.</p> <p>Disincentive applies to Standard A only</p>

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		<p>AQL: No deviation from standard.</p> <p>c) Standard: All calls received outside of normal business hours where a voicemail was received shall be returned not later than 12 noon the next business day.</p> <p>AQL: No deviation from standard.</p>		
5.7.9	Complaints	<p>a) Standard: Only 5 validated complaints about the service provided by the Contractor may be received during the quarter.</p> <p>AQL: For each validated complaint after the first five complaints, the Contractor shall be assessed a \$200 disincentive for each complaint validated greater than five.</p>	<p><b>What:</b> Complaints Received  <b>How:</b> Complaints Vs Disputes  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	<p>For each validated complaint after the first five complaints, the Contractor shall be assessed a \$200 disincentive for each complaint validated greater than five.</p>
5.7.17	Telecommunication System	<p>a) Standard: The telecommunication system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance.</p> <p>AQL: No deviation to the standard.</p>	<p><b>What:</b> Month End Report Review  <b>How:</b> Report Review Vs Documented Downtime  <b>Frequency:</b> Monthly  <b>Who:</b> Monitoring Team  <b>Standard(s):</b> Inspection applies to all standards</p>	<p>The contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractor's telecommunications system was inoperable during the quarter. For example, if the system were down for any reason for 2 hours (120 minutes) during a quarter, the Contractor's invoice would be</p>

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				<p>reduced by 1% on the applicable CLIN as calculated as follows:</p> <p>Operational Hours in Quarter = 750 [(3000 business hours for 2017 = 750 business hours or 45,000 business minutes per quarter)]</p> <p>Downtime = 2 hours (120 Minutes)</p> <p>Percentage of downtime = .003% (120 divided by 45,000 equals 1% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 1%.</p> <p>Disincentive provisions relating to maintaining continuous telecommunications systems shall not be applied to specific events arising solely from Force Majeure conditions.</p>
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**Appendix 3 - Customer Complaint Record**

<b>CUSTOMER COMPLAINT RECORD</b>			DATE/TIME OF COMPLAINT
SOURCE OF COMPLAINT			
ORGANIZATION	BUILDING NUMBER	INDIVIDUAL	PHONE NUMBER
NATURE OF COMPLAINT			
CONTRACT REFERENCE			
VALIDATION			
DATE/TIME CONTRACTOR INFORMED OF COMPLAINT			
ACTION TAKEN BY CONTRACTOR			

## Attachment 5

RECEIVED/VALIDATED BY

## Appendix 4 - Performance Assessment Report (PAR)

<b>PERFORMANCE ASSESSMENT REPORT (PAR)</b> <i>(If more space is needed, use reverse and identify by number)</i>			
1. CONTRACT/TASK ORDER NUMBER	2. CONTRACTOR	3. TYPE OF SERVICES	
4. QUALITY ASSURANCE PERSONNEL (COR) SIGNATURE AND DATE		5. COR PHONE	6. SUSPENSE DATE
<b>I. PERFORMANCE</b>			
7. <input type="checkbox"/> DEFICIENCY (CHECK ALL BOXES THAT APPLY) <input type="checkbox"/> NEW <input type="checkbox"/> REPEAT <input type="checkbox"/> NO DEFICIENCY NOTED		8. SERVICES SUMMARY or PWS PARAGRAPH ITEM REVIEWED	
9. BRIEF DESCRIPTION OF DEFICIENCY (IF DEFICIENCY BOX WAS CHECKED)		10. DETAILED PERFORMANCE ASSESSMENT	
<b>II. CONTRACTOR VALIDATION</b>			
11. CONTRACTOR REPRESENTATIVE <input type="checkbox"/> CONCUR <input type="checkbox"/> NON-CONCUR		12. CORRECTIVE ACTION ESTIMATED COMPLETION DATE	
13. CONTRACTOR REPRESENTATIVE CORRECTIVE ACTION AND PREVENTION OF RECURRENCE <u>OR</u> REASON FOR NON-CONCURRENCE OF COR CITED DEFICIENCY			
<b>III. ACTION CORRECTED</b>			
14. <input type="checkbox"/> CONCUR <input type="checkbox"/> NON-CONCUR      COR SIGNATURE AND DATE			
15. COR REMARKS (REQUIRED)			

## Attachment 5

6. CONTRACTOR REPRESENTATIVE REMARKS

**Contractor Employee's Non-disclosure Agreement**

I understand that, as part of my duties under Contract #\_\_\_\_\_ (the "Contract"), I may have access to, or be provided, Government procurement-sensitive information, proprietary business information provided to the Government by other parties (e.g., other contractors), and/or personal information protected by the Privacy Act (all of this information is defined as "Protected Information" in this Agreement). I understand that for the purpose of this Agreement, Protected Information includes, but is not limited to the following: procurement planning information, contact information contained in individual contracts and Government procurement databases, proposal evaluation plans and evaluation results, negotiation strategies, technical, cost and business information contained in proposals submitted by entities competing for Government contracts; and, personal information (e.g., Social Security Numbers). I also understand that Protected Information may exist in different physical media (e.g. paper, electronic file, audio or video disc), or be transmitted orally.

I, further agree that I will not disclose, publish, divulge, release, or make known in any manner or to any extent, to any individual, except as authorized by the contracting officer, any Protected Information provided to me or legitimately obtained by me in the pursuit of my assigned duties during the course of my employment under this contract. I will not disclose, publish, divulge, release, or make known, any Protected Information that, in the future, may be made part of the public domain without prior authorization of the contracting officer. This prohibition also covers information provided by the Government or a contractor whether or not in its original form or a derivative form (i.e. where the information has been included in a contractor-generated work or where it is discernible from materials incorporating or based upon such information).

I further agree that I will use Protected Information only for official purposes in the performance of the Contract and will disclose such information only to those individuals who have a specific need to know in performance of official Government duties. I specifically will not disclose any such information to employees of my company or any other contractor employee(s) who have not signed this agreement. I will take all reasonable precautions to prevent the unauthorized disclosure and use of such information.

I also understand that the prohibitions and requirements in this Agreement have no expiration date.

I hereby certify that I have read the non-disclosure Agreement described above and I am familiar with the directives and policies governing the disclosure of procurement-sensitive information. I agree that I will fully and completely observe these directives and will not disclose such information to any unauthorized person, or use any information that I have obtained or been provided for private use or gain at any time, including subsequent to the performance of duties under the Contract.

\_\_\_\_\_  
Employee's Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contractor Name

**Historical Information  
Customer Service Call Volumes for #800**

Month	HECM Queue	Loan Servicing Loss Mitigation Queue	Grand Total Calls Presented (877) 622-8525	Difference	% Increase/ Decrease
Oct-15	7585	8944	16529	-846	-4.87%
Nov-15	9089	8231	17320	791	4.79%
Dec-15	7800	8295	16095	-1225	-7.07%
Jan-16	7724	8808	16532	437	2.72%
Feb-16	12907	9850	22757	6225	37.65%
Mar-16	9814	10187	20001	-2756	-12.11%
Apr-16	7215	9299	16514	-3487	-17.43%
May-16	9553	9726	19279	2765	16.74%
Jun-16	9035	10116	19151	-128	-0.66%
Jul-16	8243	9221	17464	-1687	-8.81%
Aug-16	9542	11163	20705	3241	18.56%
Sep-16	9392	10420	19812	-893	-4.31%
Oct-16	10,975	10,437	21412	1600	8.08%

*\*Total Calls Presented represent all calls to the HUD National Servicing Center Toll Free Number (877) 622-8525*

*Average duration time for FHA Servicing & Loss Mitigation Calls: 16.9 Minutes  
Spanish FHA Servicing & Loss Mitigation: 21.5 Minutes*

## Attachment 9- Past Performance Survey

### PAST PERFORMANCE SURVEY

This past performance survey is to be completed on the designated contractor or key personnel as designated below:

#### PAST PERFORMANCE PROJECT IDENTIFICATION (To be filled out by the Offeror):

CONTRACTOR OR KEY PERSONNEL NAME:	Click here to enter text.
CONTRACT or ORDER NUMBER:	Click here to enter text.
PROJECT TITLE:	Click here to enter text.
TOTAL PERIOD OF PERFORMANCE, INCLUDING OPTIONS	Click here to enter text.

#### PAST PERFORMANCE REFERENCE INFORMATION (To be filled out by the Reference):

NAME:	Click here to enter text.
TITLE:	Click here to enter text.
AGENCY or CUSTOMER:	Click here to enter text.
PHONE:	Click here to enter text.
E-MAIL	Click here to enter text.

The Department of Housing and Urban Development (HUD) is procuring the services described in the box below. You have been selected by the contractor or key personnel identified above to provide past performance information to HUD to be used in evaluating the offeror's proposal for this acquisition. Thank you for your input.

Summarize the services acquired here.

If this past performance survey is related to key personnel, please summarize the level of interface you had with the designated key personnel throughout the life of the project you oversaw.

For each of the Five (5) criteria listed below, the rater must choose One (1) Adjectival Rating by checking the box, as applicable. At a minimum, for any rating that is checked Marginal or Unsatisfactory, please submit additional comments to substantiate the rating. If Cost Control is N/A, Please explain why.

### 1. QUALITY OF SERVICE

RATING	Adjectival Rating	Definition
<input type="checkbox"/>	Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor/Key Personnel were highly effective
<input type="checkbox"/>	Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor/Key Personnel were effective
<input type="checkbox"/>	Satisfactory	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the Contractor/Key Personnel appear or were satisfactory
<input type="checkbox"/>	Marginal	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the Contractor/Key Personnel has not yet identified corrective actions.
<input type="checkbox"/>	Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the Contractor's/Key Personnel's corrective actions appear or were ineffective.

#### ADDITIONAL COMMENTS:

[Click here to enter text.](#)

## 2. SCHEDULE

RATING	Adjectival Rating	Definition
<input type="checkbox"/>	Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor/Key Personnel were highly effective
<input type="checkbox"/>	Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor/Key Personnel were effective
<input type="checkbox"/>	Satisfactory	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the Contractor/Key Personnel appear or were satisfactory
<input type="checkbox"/>	Marginal	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the Contractor/Key Personnel has not yet identified corrective actions.
<input type="checkbox"/>	Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the Contractor's/Key Personnel's corrective actions appear or were ineffective.

#### ADDITIONAL COMMENTS:

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[Click here to enter text.](#)

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### 3. COST CONTROL

RATING	Adjectival Rating	Definition
<input type="checkbox"/>	Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor/Key Personnel were highly effective
<input type="checkbox"/>	Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor/Key Personnel were effective
<input type="checkbox"/>	Satisfactory	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the Contractor/Key Personnel appear or were satisfactory
<input type="checkbox"/>	Marginal	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the Contractor/Key Personnel has not yet identified corrective actions.
<input type="checkbox"/>	Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the Contractor's/Key Personnel's corrective actions appear or were ineffective.
<input type="checkbox"/>	Not Applicable	

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#### ADDITIONAL COMMENTS:

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[Click here to enter text.](#)

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### 4. BUSINESS RELATIONS

RATING	Adjectival Rating	Definition
<input type="checkbox"/>	Exceptional	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor/Key Personnel were highly effective
<input type="checkbox"/>	Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor/Key Personnel were effective

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<input type="checkbox"/>	<b>Satisfactory</b>	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the Contractor/Key Personnel appear or were satisfactory
<input type="checkbox"/>	<b>Marginal</b>	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the Contractor/Key Personnel has not yet identified corrective actions.
<input type="checkbox"/>	<b>Unsatisfactory</b>	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the Contractor's/Key Personnel's corrective actions appear or were ineffective.

**ADDITIONAL COMMENTS:**

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[Click here to enter text.](#)

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**PAST PERFORMANCE INFORMATION** (relevant services performed in the 3 years prior to submission of proposal)

**PRIME CONTRACTOR OR PARTNER/SUBCONTRACTOR NAME**\_\_\_\_\_

[illegible]

\* If performance was as a subcontractor, this will be the name of the prime contractor.

### ADDITIONAL INSTRUCTIONS TO OFFERORS - PRICING

Offerors shall use this standard format to submit summaries of their estimated costs for review and analysis by the Government. See also FAR clause 52.215-20 and its Alternate I included in the solicitation.

Offerors are expected to act in good faith in disclosing their cost or price estimation process. Offerors shall incorporate as part of, or submit with this format any additional information, e.g., schedules, which supports and substantiates the proposed costs, and which is reasonably required for review and analysis in light of the specific facts of this acquisition. The information submitted or otherwise made available by offerors shall include:

- Existing, verifiable data;
- The judgmental factors applied in projecting from known data to the estimates; and,
- The contingencies used in developing the offerors' proposed cost or prices.

Offerors shall describe any relevant information that it is impracticable to include in this format or attachments. Offerors shall make such information available to the Contracting Officer or his/her representative upon request.

Line item instructions:

1. Enter the name of the firm, partnership, organization, etc., submitting the offer.
2. Enter offeror's full, current address.
3. Enter the Government's solicitation number from the Request for Proposals (RFP).
4. Enter the title of the proposed contract shown on the RFP. (NOTE: *When this format is used for subcontractors, enter a brief description of the services or the tasks - and any task numbers - to be performed by the subcontractor.*)
5. List each category or classification of direct labor proposed to be used under the contract. Enter the proposed number of hours and hourly rate for each classification. Multiply the rate by the number of hours and enter the product in the Estimated Cost column. Add the estimated cost for all classifications and enter the sum in the Total Direct Labor row. (NOTE: *If the rate is loaded, i.e., includes more than salaries, include explanation and breakdown of the components of the rate.*)
6. Enter each cost center, department or other entity for which direct labor overhead is to be charged. Enter the rate and base for each. Multiply the rate(s) by the (base(s) and enter the product(s) in the Estimated Cost column. Add the estimated cost for each labor overhead cost center and enter the total in the Total Labor Overhead row. (NOTE: *Do not include any direct labor overhead here that is already included in loaded rates in item 5 above.*)
7. List proposed consultants by name or company (if known) or other description, e.g., type. Enter hourly rates and number of hours proposed for each. Multiply each rate by its corresponding base and enter the product in the Est. Cost column. Add the estimated cost totals and the total from Schedule A and enter the sum in the Total Consultant Costs row.
8. Enter the total of the itemized Other Direct Costs from Schedule A.
9. Enter the total subcontract costs from the individual subcontract pricing proposal sheets (Schedule B). Use separate Schedule B for each subcontractor.
10. Add the totals from items 5, 6, 7, 8 and 9 and enter the sum.
11. Enter the G&A rate (percentage), the dollar amount of the base to which the rate is applied, and the cost element item numbers to which the rate applies (e.g., Direct Labor, Direct Labor Overhead, etc.). Multiply the rate by the total of those items (i.e., the base) and enter the product.
12. Add the amounts in rows 10 and 11 together, and enter the sum.
13. Enter the amount of proposed fixed-fee or profit.
14. Add the amounts in rows 12 and 13, and enter the sum.

**CONTRACT PRICING PROPOSAL FORMAT**

This format is to be used for the submission of <i>information other than cost and pricing data</i> as defined at FAR Subpart 15.4. Use additional sheets as needed.			Page no.          of	
1. Offeror:		3. Solicitation No:		
2. Offeror's Address:		4. Services/items to be furnished:		

  

DESCRIPTION OF PROPOSED COST ELEMENTS				
5. Direct Labor ( <i>specify by category/type</i> )	Estimated No of Hours	x Rate/Hour	= Estimated Cost	
Total Direct Labor				
6. Labor Overhead ( <i>specify Dept./Cost Center</i> )	Rate (%)	x Base (\$)	= Estimated Cost	
Total Labor Overhead				
7. Consultants ( <i>continue on Schedule A</i> )	Rate (\$)	x Hours	= Estimated Cost	
Subtotal Consultant Costs from Schedule A				
Total Consultant Costs				
8. Other Direct Costs ( <i>from Schedule A</i> )				
9. Subcontract Costs ( <i>from Schedule B</i> )				
10. Total Direct Costs ( <i>add items 5 through 9</i> )				
11. General & Administrative Expense	Rate:          %	x Base: \$	(Item #s:          )	
12. Total Estimated Cost (add items 10 and 11)				
13. Proposed Fixed Fee/Profit				
14. Total Estimated Cost Plus Fixed Fee/Profit				



**CONTRACT PRICING PROPOSAL FORMAT - Schedule B - Subcontract Costs**

<i>This format is to be used for the submission of information other than cost and pricing data (see FAR 15.402). Use additional sheets for lower tier subcontracts and as needed.</i>	Page no. _____ of _____
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1. Offeror:	2. Solicitation No:
3. Subcontractor ( <i>name and address</i> ):	4. Services/Items to be furnished:

**DESCRIPTION OF PROPOSED COST ELEMENTS**

5. Direct Labor ( <i>specify by category/type</i> )	Estimated No of Hours	Rate/Hour	Estimated Cost	
Total Direct Labor				
6. Labor Overhead ( <i>specify Dept./Cost Center</i> )	O/H Rate	x Base (\$)	= Est. Cost	
Total Labor Overhead				
7. Consultants ( <i>continue on Schedule A</i> )	Rate	x Hours	= Est. Cost	
Subtotal Consultant Costs from Schedule A				
Total Consultant Costs				
8. Other Direct Costs ( <i>from Schedule A</i> )				
9. Subcontract costs ( <i>from Schedule B</i> )				
10. Total Direct Costs				
11. General & Administrative Expense	Rate: _____ %	x Base: \$ _____	(Item #s: _____)	
12. Total Estimated Cost				
13. Fee or Profit				
14. Total Estimated Cost And Fee/Profit				